

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Financial Statements and Schedules

June 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6/8/11

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**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Principal Officials
June 30, 2010**

School Board Members

Ira H. Thomas, Sr.	District 1	Vice-President
Cynthia Cade	District 2	
Brett Bonin	District 3	
Lourdes Moran	District 4	
Seth Bloom	District 5	President
Woody Koppel	District 6	
Thomas Robichaux	District 7	

Officers are elected for a term of one calendar year by Board Member. The 2010 officers are shown above.

Executive Director of Board Operations

Thelma French

Administrative Officials

Darryl Kilbert	Superintendent
Stan Smith	Chief Financial Officer

Departmental Executive Directors

Rosalynne Dennis, Ph.D.	Exceptional Children's Services
Dr. Armand Devezin	Human Resources
Leslie Ray	Purchasing/Ancillary Services
Tim Russell	Controller
Ed Morris	General Counsel



Orleans Parish School Board

3520 General DeGaulle Drive * Suite #5055 * New Orleans, Louisiana * 70114

(504) 304-5660 office (504) 309-2865 fax

Darryl C. Kilbert, Superintendent

December 15, 2010

The President and Members
Orleans Parish School Board

The Orleans Parish School Board continues to work to improve our school system's financial future. With higher living cost, higher taxes, and lower future expectations, we recognize that a quality education system is a key to recovery.

Most importantly, the Board has overseen the activities of the Superintendent and administration in rebuilding the academic standing and achievement of our students. Since the storm, our district schools have achieved upwards of 95 percent in student attendance and a 95 percent senior graduation rate. We extended our school day and invested funds to incorporate staff professional development as part of the instructional day.

The following academic services and activities of the Orleans Parish Schools have continued:

Academic Update –

Ranked 3rd in the State with the District Performance Score

- ❖ Students have access to instructional technology (web-based programs) 24 hours a day, 7 days a week.
- ❖ Parents have online access to their child's grades, assignments and can track progress.
- ❖ Students reading abilities are assessed and remediated through the Adolescent Literacy Initiative grades 4 – 10.
- ❖ Student Academic Reviews are held where teachers and administrators and instructional staff meet to discuss and review the individual needs of all students.
- ❖ Robotics programs are in elementary and high schools.
- ❖ Performance Series is a computer assessment program, which allows pinpointing of student understanding across a range of core subjects; prescribes specific lessons for student achievement based upon test data; and supports Response to Intervention (RTI).

*"Success is the **ONLY OPTION!**"*

- ❖ Credit Recovery Program allow to make up carnegie units for courses missed.
- ❖ Achievement Series is a powerful web-based district-wide assessment solution that allows K – 12 educators to develop and administer tests, capture immediate results, and produce standards-based reports.
- ❖ Teachers and administrators have access to a longitudinal data system to plan instruction based on student data.
- ❖ Teachers have access to curriculum pacing guides and alignment based on the Louisiana Comprehensive Curriculum.
- ❖ Teachers have common assessments for core subjects in grades 2 – 12.
- ❖ Science students compile academic portfolios that highlight study skills and document instructional components.
- ❖ District recognized for 100% compliance in IDEA Special Education Services for students.
- ❖ District provides Child Search evaluation services to all pre-school children ages 3-5 who reside in Orleans Parish.
- ❖ The above programs have assisted OPSB to achieve the following:
 - OPSB's 2010 score of 76.6% exceeds the Louisiana Department of Education's immediate goal that 75% of the students are in 4th grade on time by 2014.
 - OPSB's 2010 score of 84% exceeds the Louisiana Department of Education's immediate goal that 72 % of 3rd graders earn Basic on state's test by 2012.

Accountability Update

- ❖ Completed the third evaluation of OPSB charter schools utilizing the NACSA Charter School Framework adopted by BESE and OPSB.
- ❖ Completed the third evaluation of NOPS schools utilizing a modified version of charter school framework.
- ❖ Continued implementation of *ExCELSS Protocol-Examining* Curriculum Enhanced Learning for Students – a uniform process for monitoring and learning.

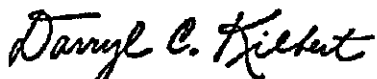
"Success is the **ONLY OPTION!**"

Safety and Security Update

- ❖ Continued implementation of the revised State Safety and Security Plan at all OPSB schools.
- ❖ “Visitor Management” software and hardware in place of OPSB schools to create a data base of visitors that tracks visitors and checks against a national crime registry through the use of a driver’s license swipe before the visitor is given an access pass.
- ❖ Secured, boarded and monitor OPSB vacant properties.
- ❖ Training and Professional Development Activities:
 - Training provided to school personnel on Emergency Management, Crisis Communications and Bomb Threats, basic personnel qualifications
 - All security officers are CPR Certified and trained in First Aid
 - Collaborating with IT and Facilities Departments for implementation of IP controlled access to each OPSB school.
 - Security Camera System in several schools
 - Installed cardiac defibrillators at school site and central office.

The Orleans Parish School board continues to commit creating a world-class public education system that is child centered and supports the rebuilding of the city of New Orleans.

Respectfully,



Darryl C. Kilbert, Superintendent
Orleans Parish Public Schools

*“Success is the **ONLY OPTION!**”*



Orleans Parish Public Schools

3520 General deGaulle Drive * New Orleans, Louisiana * 70114
(504) 304-5680 office (504) 309-2865 fax

Stan Smith, Chief Financial Officer

December 7, 2010

The President and Members
Orleans Parish School Board

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Orleans Parish School Board (OPSB) for the fiscal year ended June 30, 2010. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rest with the OPSB.

To the best of our knowledge and belief, the data included in the CAFR are accurate in all material respects and are reported in a manner designed to present fairly the Statement of Net Assets (Deficit) and Statement of Activities of the OPSB. All disclosures necessary to enable the reader to gain an understanding of the OPSB financial activities have been included. This report also includes all funds and account groups of the School Board.

The CAFR is presented in two sections: Introductory and Financial. The Introduction Section includes this Transmittal Letter and a list of principal officials. The Financial Section includes required supplemental information (Management Discussion and Analysis), basic financial statements, and other supplemental information, as well as the independent auditors' report on the basic financial statements.

The OPSB is a political subdivision created under Louisiana State Statutes and has the power to sue and be sued, to make rules and regulations for its own government consistent with the laws of the state of Louisiana and the regulations of the State Board of Elementary and Secondary Education. The School Board operates within Orleans Parish providing a full range of regular education and related services as required by the Louisiana State Statutes. It is authorized to establish public schools (including the authorization of Charter schools) it deems necessary to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed and to determine local supplement to their salaries. Accordingly, the OPSB is not included in any other governmental reporting entity since its members are elected by the public for a term of four years and have decision-making authority, the power to designate management, the ability to significantly influence operations and have primary accountability for fiscal matters for the Orleans Parish School System.

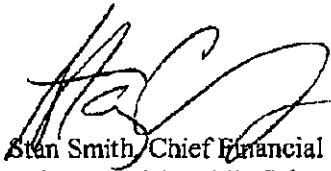
The boundaries of the OPSB area of responsibility and the City of New Orleans are coterminous and located near the mouth of the Mississippi River in Southeast Louisiana. The leading industries of the local economy are petroleum, port, tourism, and construction.

All funds and entities controlled by or dependent on the OPSB are included in the CAFR. These financial statements present the School Board as the primary government. OPSB had twelve active Charter Schools. These Charter Schools and their enrollment as of February 1, 2010 are as follows:

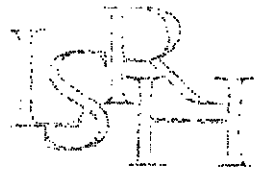
Charter School	Approximate Number of Students
Audubon Charter School	667
Benjamin Franklin High School	593
Einstein Charter School	435
Edward Hynes Charter School	499
Lake Forest Elementary Charter School	456
Lusher Charter School	1,514
New Orleans Science and Math High School	372
Robert Russa Moton Elementary	227
Priestley School Of Architecture and Construction	313
Warren Easton Senior High School	846
Algiers Charter Schools:	
Alice M. Harte Elementary	615
Edna Karr High School	842
Total Enrollment	<u>7,379</u>

The charter schools financial statements are normally presented the report as discrete component units of the reporting entity because they are fiscally dependent on the OPSB.

Respectfully,



Stan Smith, Chief Financial Officer
Orleans Parish Public Schools



LAPORTE SEHRT
ROMIG HAND
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Orleans Parish School Board
New Orleans, Louisiana

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Orleans Parish School Board (School Board) as of and for the year ended June 30, 2010, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the following discretely presented component units which represent 92%, 92% and 85%, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units: Hynes Charter School, Lusher Charter School, New Orleans Charter Science and Math School, Warren Easton Senior High School, Lake Forest Elementary Charter School, Robert Russa Moton Charter School, Priestley School of Architecture and Construction, Ben Franklin High School and Algiers Charter Schools – Alice M. Harte Elementary and Edna Karr High School. These financial statements were audited by other auditors whose reports thereon were furnished to us and our opinion herein on the financial statements, in so far as it relates to the amounts included for the discretely presented component units, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

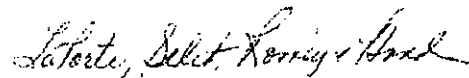
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the School Board, as of June 30, 2010, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2010, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 13 and pages 68 through 73, respectively, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Performance and Statistical Data included as Schedules 1 through 9, are not a required part of the basic financial statements, but are supplementary information required by Louisiana State Law. We have applied certain limited procedures, which are described in the Independent Accountant's Report on Applying Agreed-Upon Procedures. However, we did not audit this information and, accordingly, express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the School Board. The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



A Professional Accounting Corporation

December 31, 2010

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Management's Discussion and Analysis

Overview and Analysis of Financial Activities

The Orleans Parish School Board (School Board or OPSB), as the financial manager of the Orleans Parish School System, offers the readers of these financial statements an overview and analysis of the financial activities of the School Board. This overview and analysis is designed to assist the users of these financial statements to focus on significant issues, identify significant changes in the School Board's financial position both at the government-wide and fund levels, and highlight material changes from the School Board's approved budget.

Our discussion and analysis of the School Board's financial performance includes a section entitled *Financial Highlights* which provides an overview of its financial activities for the fiscal years ended June 30, 2010 and 2009. This discussion and analysis should be read in conjunction with the Annual Financial Report's Letter of Transmittal in the Introductory Section, the School System's Financial Statements (Financial Section), and the Notes to the Financial Statements.

Financial Highlights

- As of June 30, 2010 the School Board reported a consolidated net assets total of \$58.7 million. This consolidated total represents an increase of approximately \$55.1 million over the June 30, 2009 balance of \$3.6 million at June 30, 2009. The June 30, 2010 balance represents an increase of approximately \$159.6 million over the June 30, 2006 deficit of \$100.9 million.
- As of June 30, 2010 the School Board reported General Fund fund balance of \$50.0 million. This represents a decrease of \$4.2 million from the June 30, 2009 balance of \$54.2 million. The components of this decrease are as follows: (1) Recalculation of the Recovery School District's share of FY 2006-07, FY 2007-08 and FY 2008-09 local revenues totaled \$3.9 million; (2) FY 2009-10 General Fund operations loss of \$0.3 million.
- In accordance with instructions from the State of Louisiana, Department of Education, ad valorem taxes were grossed up for the assessor and collection fees. For FY 2009-10 ad valorem tax revenues, including the gross up for fees, totaled \$110.5 million. Net of fees, ad valorem taxes totaled \$105.9 which represents an increase of \$26.0 million. Approximately \$12.9 million of the increase was due to a roll forward of the constitutional millage. An improved collection effort of delinquent taxes by the City of New Orleans also favorably impacted total ad valorem taxes.
- Sales tax revenues totaled \$84.9 million, which represents an increase of \$5.6 million or 7.01% over the previous year.
- The Minimum Foundation Program (MFP) distribution from the State of Louisiana totaled \$35.5 million for FY 2009-10. Louisiana funds public education through a block grant known as the Minimum Foundation Program, or MFP. The MFP formula is developed and approved annually by the Louisiana State Board of Elementary and Secondary Education.
- Since August 2005 the School Board has received \$59.4 million in Hurricane Katrina insurance proceeds. At June 30, 2009 the entire amount was recorded as deferred income pending the results of legal actions. During FY 2009-10 the School Board agreed to a preliminary settlement with the RSD with both entities receiving \$18.0 million each. The balance of the insurance proceeds continues to be deferred.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Management's Discussion and Analysis

- During FY 2009-10 expenditures on Federal and State awards totaled \$62.1 million. The three largest grants were as follows: (1) U.S. Department of Education, No Child Left Behind, Title I = \$26.0 million; (2) U.S. Department of Education, No Child Left Behind, Title II = \$ 6.3 million; (3) U.S. Department of Education, Individuals with Disabilities and Exceptionalities, IDEA Part B = \$7.7 million. These expenditures benefit OPSB students, OPSB Charter School students and non-public students.
- During the three previous three fiscal years the School Board borrowed \$76.2 million under the Debt Service Assistance Program. The Gulf Opportunity Zone Act allowed for the issuance of Gulf Tax Credit Bonds to assist local governments to pay bonded indebtedness. Principal payments on these bonds begin in July 2012. Interest commences on July 16, 2011 at a rate of 4.64% per annum and is payable semi-annually beginning in January 2012.
- Principal payments on bonds and notes payable, along with lease obligations totaled \$17.4 million. Additionally, a payment of \$9.0 million was made on the accrued interest on the 1991 Refunding Bonds.
- As of June 30, 2010 the School Board had total debt in its Long-Term Obligation fund of \$388.4 million. This is comprised of the following: (1) Bonds, Notes and Capitalized Lease Obligations of \$292.2 million; (2) Accrued interest payable of \$40.3 million; (3) Compensated absences of \$14.3 million; and (4) Claims payable of \$41.5 million.
- As of June 30, 2010 the School Board had net assets in its Debt Service funds of \$140.0 million. The components of this are as follows: (1) General Obligation Bonds = \$29.6 million; (2) 1991 Refunding Bonds, Accrued Interest = \$33.5 million; (3) Gulf Opportunity Bonds = \$76.9 million. These funds are dedicated by Board action to the repayment of the related outstanding debt.
- As of June 30, 2010 the School Board had a net investment in capital assets, book value less accumulated depreciation, of approximately \$225.9 million. The long-term debt plus accrued interest on these capital assets totaled \$192.6 million. The difference between the net investment in capital assets, net of related debt represents a surplus of approximately \$33.3 million. This surplus is expected to increase as Phase One of the Master Plan is implemented.
- Capital project expenditures during FY 2009-10 for both major construction and repair and maintenance projects totaled \$15.7 million. Capital project expenditures are projected to substantially increase as Phase One of the Master Plan is fully implemented.
- At June 30, 2010 the component units (i.e., the twelve charter schools) had net assets of \$47.0 million. Additionally, revenue for the current fiscal year totaled \$80.0 million.
- As of June 30, 2010, the School Board had \$116.6 million of unrated, general obligation bonds outstanding. On September 1, 2010, the School Board refunded these bonds and issued \$97 million of General Obligation School Refunding Bonds, Series 2010 (2010 GO Bonds). These 2010 GO Bonds, rated "AAA" by Standard & Poor's Financial Services LLC and "Aaa" by Moody's Investors Service, Inc., have a total debt service savings of \$33.3 million, a net present value savings of \$15.0 million, and a final maturity date of September 1, 2020, as compared with the general obligation bonds outstanding on June 30, 2010, whose final maturity was September 1, 2022.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Management's Discussion and Analysis

- On November 16, 2010 the School Board filed request for cancellation of the Community Disaster Loan in the amount of \$40.9 million, plus accrued interest in the amount of \$4.7 million. Approval of the request for cancellation is subject to multiple federal government reviews. A decision on the request for cancellation is expected by the end of January 31, 2011.

Using this Annual Financial Report

This discussion and analysis is intended to serve as an introduction to the School Board's Comprehensive Annual Financial Report (CAFR). The basic financial statements consist of the following: (1) Government-Wide Financial Statements; (2) Fund Financial Statements; (3) Notes to the Financial Statements; (4) Supplementary Financial Information.

Government-wide financial statements (pages 15 through 18) include the Statement of Net Assets (Deficit) and Statement of Activities, which provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. In summary, the government-wide financial statements show the results of operations and financial position using the total economic resources measurement focus and the accrual basis of accounting which emphasizes the long-term financial picture and are very similar to the financial statements of the private sector.

The fund financial statements (pages 20 through 29) represent information for three fund categories - governmental, proprietary and fiduciary. Financial statements for governmental funds tell how we financed our services in the short-term as well as what remains for future spending. These fund statements provide the reader with some insights into the School Board's overall financial health. In short, the fund-level financial statements show the results of operations and financial position using the current financial resources measurement focus and the modified accrual basis of accounting, emphasizing the change in fund balances as a result of the current year's operations, as well as the amount of resources available to spend.

Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant fund(s) - such as the General Fund, Pass Through Fund, General Obligation Bond Fund, Refunding Bond Fund, Gulf Opportunity Bond Fund, Hurricane Katrina Restoration Fund, and the Federal Grant Fund. The Governmental Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances include the major funds as well as an aggregate of the remaining funds that report general government operations. Proprietary Funds – Internal Service are an accounting device used to accumulate and allocate costs internally among the School Board's major functions/funds. The School Board uses internal service funds for its employee health insurance, retiree health insurance and workers compensation. Because these services predominantly benefit the governmental rather than business-type functions they are included within governmental activities in the government-wide financial statements.

The Statement of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Assets provide financial information about activities for which the School Board acts solely as an agent for the benefit of students and parents.

Other sections include Notes to the Financial Statements (Pages 31 through 66) and certain Required Supplementary Information (Pages 68 through 73). Included in the Required Supplementary Information is a comparison of the General Fund budget with actual results on pages 68 through 69. Over the course of the year, the School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Management's Discussion and Analysis

Reporting on School Board as a Whole

Government-wide Financial Analysis

The following analysis focuses on the Statement of Net Assets (Deficit) (Table 1) and Statement of Activities (Table 2) of the School Board's governmental activities:

Table 1				
Governmental Activities	2010	2009	Increase (Decrease) Amount	Increase (Decrease) Percent
Current and Other Assets	\$ 307,878,048	\$ 330,278,808	\$ (22,400,760)	(6.78) %
Capital Assets, Net	91,285,224	80,860,012	10,425,212	12.89 %
Long-Term Receivable RSD	134,614,743	134,614,743	-	- %
Total Assets	533,778,015	545,753,563	(11,975,548)	(2.19) %
Current and Other Liabilities	86,664,870	107,647,249	(20,982,379)	(19.49) %
Long-Term Liabilities	388,368,912	434,534,732	(46,165,820)	(10.62) %
Total Liabilities	475,033,782	542,181,981	(67,148,199)	(12.38) %
Net Assets (Deficit):				
Invested in Capital Assets,				
Net of Debt	33,271,630	252,407	33,019,223	13,081.74 %
Restricted	169,781,270	159,545,670	10,235,600	6.42 %
Unrestricted	(144,308,667)	(156,226,495)	11,917,828	(7.63) %
Total Net Assets (Deficit)	\$ 58,744,233	\$ 3,571,582	\$ 55,172,651	1,544.77 %

The School Board's net assets were \$58,744,233 at June 30, 2010 and \$3,571,582 at 2009, of which, \$(144,308,667) and \$(156,226,495) were unrestricted at June 30, 2010 and 2009, respectively. Restricted net assets are reported separately to show legal constraints from debt covenants, capital projects and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. As of June 30, 2010 and June 30, 2009, the restricted net assets amounted to \$169,781,270 and \$159,545,670, respectively.

Current and other assets decreased from June 30, 2009 to June 30, 2010 by \$22,400,760. The primary reasons for this net change are as follows: (a) Cash decrease by \$5,521,252 because of an operating loss in the General Fund; (b) Taxes receivable increased by \$21,688,611 because of slower payments from the City of New Orleans; (c) Due from Other Governments decreased by \$42,870,346 due to improved Grant and Contract billings.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Management's Discussion and Analysis

Net capital assets increased from June 30, 2009 to June 30, 2010 by a net amount of \$10,425,212 due primarily to building improvements in excess of building and equipment depreciation. (See Notes 2 and 5, Capital Assets in the accompanying financial statements for additional discussion regarding depreciation methods and related accumulated depreciation). Both of the June 30, 2009 and June 30, 2010 financial statements reflect \$134,614,743 of net capital assets transferred to the RSD as a long-term receivable since Act 35 provides for these capital assets to be returned to the School Board at the end of 5 years.

Current and other liabilities decreased by \$20,982,379 due to recognizing \$18,000,000 of insurance proceeds during FY 2009-10. Previously, these insurance proceeds were deferred.

Long-term liabilities decreased by \$46,165,820. The primary composition of this net change is as follows: (a) principal payments of \$17,408,901; (b) a decrease in compensated absences of \$3,118,424; (c) a decrease in the liability for claims payable of 22,332,409. (See Note 14, Litigation and Contingencies in the accompanying financial statements for additional discussion regarding litigation).

At June 30, 2010, the \$58,744,233 of net assets represents the accumulated results of all governmental operations. Accordingly, if the School Board had to pay off all of its bills today, including all of its noncapital liabilities (for example compensated absences and claims) the School Board would have sufficient unrestricted assets to pay all liabilities.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Management's Discussion and Analysis

Table 2
Condensed Comparative Statement of Activities (in Thousands)
For the Years Ended June 30, 2010 and 2009

Governmental Activities	2010	2009	Variance Increase (Decrease) Amount	Variance Increase (Decrease) Percent
Revenues				
Program Revenues				
Charges for Services	\$ 1,290	\$ 6,528	\$ (5,238)	(80.24) %
Operating Grants	60,376	60,829	(453)	(0.74) %
Capital Grants	5,849	7,273	(1,424)	(19.58) %
Total Program Revenues	67,515	74,630	(7,115)	(9.53) %
General Revenues				
Ad Valorem	110,518	79,898	30,620	38.32 %
Sales Taxes	84,919	79,355	5,564	7.01 %
State Revenue Sharing	1,626	1,214	412	33.94 %
Investment Earnings	1,419	4,900	(3,481)	(71.04) %
Internal Service Funds Net Operating (Loss) Profit	(948)	5	(953)	(19,060.00) %
Minimum Foundation Program	35,520	36,090	(570)	(1.58) %
Insurance Proceeds	18,000	-	18,000	- %
Other General Revenues	1,041	7,013	(5,972)	(85.16) %
Total General Revenues	252,095	208,475	43,620	20.92 %
Total Revenues	\$ 319,610	\$ 283,105	\$ 36,505	12.89 %

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Management's Discussion and Analysis

**Table 2
Condensed Comparative Statement of Activities (in Thousands)
For the Years Ended June 30, 2010 and 2009**

Governmental Activities	2010	2009	Variance Increase (Decrease) Amount	Variance Increase (Decrease) Percent
Functions/Program Revenues				
Instruction				
Regular Education Programs	10,956	15,340	(4,384)	(28.58) %
Special Education Programs	4,339	4,780	(441)	(9.23) %
Other Educational Programs	21,223	32,285	(11,062)	(34.26) %
Support Services				
Student Services	4,049	4,669	(620)	(13.28) %
Instructional Staff Support	7,033	9,719	(2,686)	(27.64) %
General Administration	6,889	4,374	2,515	57.50 %
School Administration	1,156	1,605	(449)	(27.98) %
Business Services	2,561	4,847	(2,286)	(47.16) %
Student Transportation Services	2,590	6,248	(3,658)	(58.55) %
Central Services	2,761	1,769	992	56.08 %
Plant Services	5,180	6,528	(1,348)	(20.65) %
Other	3,811	15,019	(11,208)	(74.63) %
Food Services	3,668	2,684	984	36.66 %
Transfer to RSD Schools - Local MFP	114,282	87,893	26,589	30.32 %
Transfer to Charter Schools - Local and State MFP	60,364	58,128	2,236	3.85 %
Interest on Long-Term Debt	13,575	14,472	(897)	(6.20) %
Total Expenses	264,437	270,160	(5,723)	(2.12) %
Changes in Net Assets	55,173	12,945	42,228	326.21 %
Beginning Net Assets	3,572	4,128		
Prior Period Adjustments	-	(13,501)		
Beginning Net Assets (Deficit), As Restated	-	(9,373)		
Ending Net Assets	\$ 58,745	\$ 3,572		

Total revenues for all governmental activities for the fiscal years ended June 30, 2010 and June 30, 2009 were \$319,610,000 and \$283,105,000, respectively. The increase in total revenue in 2010 compared to 2009 in the amount of \$36,505,000 is due in part to an increase in ad valorem and sales taxes of \$30,620,000 and \$5,564,000, respectively. A roll forward of the constitutional millage accounted for \$12,856,270 of the increase in ad valorem taxes. Also impacting ad valorem taxes was a change in accounting policies. At the request of the State of Louisiana, Department of Education, the School Board commenced grossing up ad valorem taxes for the assessor and collection fees. This change in accounting policies caused an increase in ad valorem taxes in the amount of \$4,577,072. Also impacting total revenues was the recognition of \$18,000,000 of insurance proceeds. These increases were offset by a decline in program revenues of \$7,115,000.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Management's Discussion and Analysis

As reported in the Statement of Activities (Table 2) the total cost of all governmental activities for the two fiscal years ended June 30, 2010 and June 30 2009 were \$264,437,000 and 270,160,000, respectively (Table 2). While the overall decrease of \$5,723,000 is small, some individual categories had substantial changes. The individual line totals were impacted substantially by operating grants. The transfer to the RSD represents their share of local revenues for the fiscal year based on the ratio of students serviced by each entity. The transfer to the Charters represents their share of state MFP and local revenue share based on their student population. The School Board continues to focus on the provisions of instructional and related support services aimed at academic excellence of its student population.

Some of the costs were funded by those who benefited from the programs or by other governments and organizations who subsidized certain programs as reflected in operating grants revenues in the amount of \$60,376,000 for 2010 and \$60,829,000 for 2009. The School Board funded the remaining "public benefit" portion of our governmental costs with revenues from sales and ad valorem taxes of \$195,437,000 for 2010 and \$177,024,000 for 2009. Additionally, \$35,520,000 for 2010 and \$36,090,000 for 2009 was provided from MFP funds. Other revenues, including interest and state revenue sharing, funded the remaining "public benefit" governmental costs.

Table 3, Comparative Governmental Activities, reflects the gross cost of program services and the net costs after taking into account the program revenues for the governmental activities. General revenues (including tax revenues), investment earnings, and unrestricted State revenues are used to support the net remaining costs of the School Board activities.

**Table 3
Comparable Governmental Activities (in Thousands)**

Description	For the Years Ended June 30,			
	2010		2009	
	Gross Cost of Services	Net Cost of Services	Gross Cost of Services	Net Cost of Services
Regular Education Programs	\$ 10,956	\$ 7,602	\$ 15,340	\$ 6,445
Special Education Programs	4,339	(397)	4,780	1,516
Other Education Programs	21,223	(12,879)	32,285	(4,030)
Student Services	4,049	(2,104)	4,669	135
Instructional Staff Support	7,033	(3,447)	9,719	527
General Administration	6,889	5,970	4,374	3,872
School Administration Services	1,156	954	1,605	1,393
Business Services	2,561	2,196	4,847	1,516
Student Transportation Services	2,590	1,268	6,248	1,773
Central Services	2,761	2,130	1,769	1,239
Plant Services	5,180	4,221	6,528	5,666
Other	3,811	3,810	15,019	15,019
Food Services	3,668	(624)	2,684	166
Transfer to RSD Schools - Local MFP	114,282	114,282	87,693	87,693
Transfer to Charter Schools - Local and State MFP	60,364	60,364	58,128	58,128
Interest on Long-Term Debt	13,575	13,575	14,472	14,472
	<u>\$ 264,437</u>	<u>\$ 196,921</u>	<u>\$ 270,160</u>	<u>\$ 195,530</u>

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Management's Discussion and Analysis

Overall, the net cost of services in fiscal 2010 increased by approximately \$1,392,000. Many of the individual categories declined in FY 2009-10 as the School Board endeavored to control its costs. The category entitled Transfer to RSD Schools – Local MFP increased \$26,589,000 because of an increased number of students at the RSD. Also included in this line was an adjustment of local share for FY 2006-07, FY 2007-08 and FY 2008-09. The category entitled Transfer to the Charters – Local and State MFP increased by \$2,236,000. Payments to Charters are based upon state law.

Reporting on the Individual Funds

Fund Financial Analysis

Our analysis of the School Board's major funds begins on page 20 of the basic financial statements. The fund financial statements provide detailed information about the most significant funds - not the School Board as a whole. Some funds are required to be established by State law and by bond covenants. However, the School Board has established other funds to help it control and manage for particular purposes (such as the Child Nutrition) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as grants from the Department of Education). The School Board's funds (governmental, proprietary and fiduciary) use the following accounting approach:

Governmental Funds - All of the School Board's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting. The governmental fund statements provide a detailed short-term view of the School Board's operations and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets (Deficit) and the Statement of Activities) and governmental funds through reconciliation to the basic financial statements is described on page 21 of the financial statements.

Proprietary Funds - Proprietary funds for the School Board use the accrual basis of accounting, the same as on the government-wide statements. These funds are used to account for the financing services provided by the School Board's departments, (such as employee health, retiree health and workers' compensation). The Balance Sheet, Statement of Revenues, Expenses and Changes in Net Assets and Statement of Cash Flows reports are presented on pages 84 through 86 of the basic financial statements.

Fiduciary Funds - The School Board is the trustee, or fiduciary, for its student activities funds. All of the School Board's fiduciary activities are reported in the separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 87 and 88 of the basic financial statements, respectively. We exclude these activities from the School Board's other financial statements because the assets cannot be utilized by the School Board to finance its operations.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Management's Discussion and Analysis

Capital Asset and Debt Administration

Capital Assets

The School Board's capital assets include land, buildings and improvements, furniture and equipment, transportation equipment, and construction-in-progress.

A comparative analysis of capital assets as of June 30, 2010 and 2009 is as follows:

	Governmental Activities June 30,	
	2010	2009
Land	\$ 7,696,157	\$ 7,917,434
Buildings and Improvements	123,326,516	123,238,881
Furniture and Equipment	16,084,439	15,442,975
Construction in Progress	20,263,639	7,281,310
	167,370,751	153,880,600
Accumulated Depreciation	(76,085,527)	(73,020,588)
	<u>\$ 91,285,224</u>	<u>\$ 80,860,012</u>

Overall net capital assets increased from June 30, 2009 to June 30, 2010 by a net amount of \$10,425,212. This increase reflects the continued investment by the School Board in Property, Plant and Equipment. Additional information on Capital Assets can be found in Notes 2, Summary of Significant Accounting Policies and Note 5, Capital Assets.

On November 6, 2008 the School Board approved a Master Plan for Orleans Parish School facilities. The Master Plan provides a blueprint for determining which school facilities will be rebuilt and which sites will be renovated. A complete copy of the Master Plan is available on the School Board's web site: www.nops.k12.la.us. Construction expenditures are anticipated to increase as more rebuilding projects will commence in FY 2010-11.

Long-term Debt

Obligations include bonds, notes payable, capitalized leases and other long-term obligations including accrued vacation and sick leave pay. More detailed information about our long-term liabilities is presented in Note 8 in the notes to the accompanying financial statements and in earlier sections of this MD&A.

Pursuant to the requirements of LSA-R.S. 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of the taxable property (including homestead exempt and non-exempt property) within the Parish of Orleans. At June 30, 2010 the statutory debt limit for general obligation bonds is \$937,433,652 with a net legal debt margin of \$842,775,882.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Management's Discussion and Analysis

Economic Factors and Next Year's Budget

The economic viability of the School Board is related primarily to the MFP and the ad valorem and sales taxes. As previously mentioned, ad valorem, and sales taxes increased from FY 2008-09 to FY 2009-10. For FY 2010-11 the School Board has budgeted ad valorem and sales taxes at a level approximately equal to the amounts actually received in FY 2009-10. Finally, MFP payments per student are projected to increase from \$3,669 to \$3,940 per student.

Contacting the School Board's Financial Management

Our financial report is designed to provide the citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Mr. Stan Smith, Chief Financial Officer, telephone number (504) 304-5680, at Orleans Parish School Board, 3520 General De Gaulle Drive, New Orleans, Louisiana 70114.

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Net Assets (Deficit)
June 30, 2010

	Primary Government	Component Units
Assets		
Cash and Cash Equivalents	\$ 171,933,304	\$ 29,816,210
Investments	54,116,827	2,596,007
Taxes Receivable		
Sales Tax	23,848,079	-
Ad Valorem Taxes	13,998,402	-
Due from Other Governments	37,149,706	11,198,310
Prepaid Items	1,676,894	342,706
Inventory	25,165	21,634
Other Receivables	5,129,671	936,738
Other	-	342,613
Long-Term Accounts Receivable - RSD	134,614,743	-
Capital Assets		
Land	7,696,157	-
Construction in Progress	20,263,639	667,144
Capital Assets, Net of Accumulated Depreciation	63,325,428	6,152,241
Total Assets	533,778,015	52,073,603
Liabilities and Net Assets		
Liabilities		
Accounts Payable	13,994,019	1,077,048
Payroll Withholdings	1,480,220	223,111
Salaries Payable	517,490	1,292,499
Other Payables	5,588,802	1,870,430
Accrued Interest Payable	2,543,514	-
Due to Fiduciary Funds	315,223	-
Due to Other Governments	25,630,115	51,026
Deferred Revenues	36,595,487	58,370
Long-Term Liabilities		
Bonds, Notes, Loans and Capitalized Leases Due Within One Year	16,846,378	-
Bonds, Notes, Loans and Capitalized Leases Due in More Than One Year	275,362,757	-
Interest Payable	40,340,992	-
Compensated Absences Due Within One Year	3,118,424	-
Compensated Absences Due in More Than One Year	11,176,293	505,209
Claims Payable Due Within One Year	-	-
Claims Payable Due in More Than One Year	41,524,068	-
Total Liabilities	475,033,782	5,077,693

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Net Assets (Deficit) (Continued)
June 30, 2010

	Primary Government	Component Units
Liabilities and Net Assets (Deficit) (Continued)		
Net Assets (Deficit)		
Invested in Capital Assets, Net of Related Debt	33,271,630	6,152,241
Restricted for:		
School Food Service	25,165	-
Debt Service	140,000,023	-
Encumbrances	70,796	-
Capital Projects	29,685,286	1,011,154
Instructional Services	-	1,027,589
Unrestricted	(144,308,667)	38,804,926
Total Net Assets	\$ 58,744,233	\$ 46,995,910

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Activities
Fiscal Year Ended June 30, 2010

Functions/Programs	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
			Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units
Primary Government						
Instruction						
Regular Education Programs	\$ 10,955,611	\$ -	\$ 2,420,589	\$ 932,288	\$ (7,602,734)	\$ -
Special Education Programs	4,338,820	-	4,367,285	369,220	397,685	-
Other Education Programs	21,222,882	-	32,295,775	1,806,002	12,878,895	-
Support Services						
Student Services	4,049,180	593,649	5,215,046	344,573	2,104,088	-
Instructional Staff Support	7,033,294	-	9,881,871	598,512	3,447,089	-
General Administration Services	6,889,093	-	331,986	586,241	(5,970,866)	-
School Administration Services	1,156,269	-	104,277	98,395	(953,597)	-
Business Services	2,561,389	-	147,535	217,966	(2,195,888)	-
Student Transportation Services	2,590,111	-	1,101,617	220,411	(1,268,083)	-
Central Services	2,760,877	141,287	254,722	234,942	(2,129,926)	-
Plant Services	5,179,617	-	517,960	440,769	(4,220,888)	-
Other	3,910,999	-	-	-	(3,810,999)	-
Food Services	3,667,628	555,079	3,736,920	-	624,371	-
Transfer to RSD Schools - Local MFP	114,282,094	-	-	-	(114,282,094)	-
Transfer to Charter Schools - Local and State MFP	60,364,375	-	-	-	(60,364,375)	-
Interest on Long-Term Debt	13,574,743	-	-	-	(13,574,743)	-
Total Primary Government	264,436,993	1,290,015	60,375,583	5,849,319	(196,922,066)	-
Component Units						
Audubon Charter School	6,806,288	-	-	-	-	(6,806,288)
Hynes Charter School Corporation	5,068,368	-	-	-	-	(5,068,368)
Lake Forest Elementary Charter School	4,190,086	-	-	-	-	(4,190,086)
Lusher Charter School	13,240,972	-	-	-	-	(13,240,972)
Einstein Charter School	4,817,058	-	-	-	-	(4,817,058)
Robert Russa Moton Charter School	2,054,381	-	-	-	-	(2,054,381)
Warren Easton Senior High School	8,855,214	-	-	-	-	(8,855,214)
Agiers Charter Schools	15,631,854	-	-	-	-	(15,631,854)
Ben Franklin High School	6,246,719	-	-	-	-	(6,246,719)
The New Orleans Charter Science and Mathematics High School	6,222,349	-	-	-	-	(6,222,349)
The Priestly School of Architecture and Construction	3,313,160	-	-	-	-	(3,313,160)
Total Component Units	76,446,449	-	-	-	-	(76,446,449)

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Activities (Continued)
Fiscal Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units
Net Expenses from Previous Page						
General Revenues					(196,922,066)	(76,446,449)
Taxes						
Ad Valorem (Property) Taxes					110,517,622	
Sales and Use Taxes					84,919,257	-
State Revenue Sharing					1,625,992	-
Grants and Contributions Not Restricted to Specific Purposes						
Minimum Foundation Program (MFP)					35,520,337	61,450,113
Orleans Parish School Board					-	11,202,408
Interest and Investment Earnings					1,418,916	97,101
Internal Service Funds Net Operating Loss					(947,997)	-
Insurance Proceeds					18,000,000	-
Miscellaneous					1,040,590	7,210,840
Total General Revenues						79,960,462
Change in Net Assets						3,514,013
Net Assets - June 30, 2009, as Previously Reported						43,238,172
Prior Period Adjustment						243,725
Net Assets - June 30, 2009, as Restated						43,481,897
Net Assets - June 30, 2010						\$ 58,744,233 \$ 46,995,910

The accompanying notes are an integral part of these financial statements.

BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Balance Sheet
Governmental Funds
June 30, 2010

	General Fund	Pass Through Fund	General Obligation Bond Fund	Refunding Bond Fund	Hurricane Katrina Restoration Fund	Gulf Opportunity Bond Fund	Federal Grant Fund	Other Governmental Funds	Total
Assets									
Cash and Cash Equivalents	\$ 16,989,237	\$ -	\$ 29,185,755	\$ 33,519,734	\$ 58,695,787	\$ 23,195,491	\$ -	\$ 6,145,830	\$ 168,731,834
Investments	-	-	-	-	-	54,116,827	-	-	54,116,827
Taxes Receivable									
Sales Tax	-	23,848,079	-	-	-	-	-	-	23,848,079
Ad Valorem Taxes	-	13,998,402	-	-	-	-	-	-	13,998,402
Due from Other Funds	87,835,530	580,093	451,475	-	239,000	-	427,268	31,188,357	120,719,723
Due from Other Governments	1,589,812	-	-	-	22,035,149	-	12,674,848	849,897	37,149,706
Prepaid Items	1,676,894	-	-	-	-	-	-	-	1,676,894
Inventory	-	-	-	-	-	-	-	25,165	25,165
Other Receivables	2,826,791	-	-	-	-	337,359	-	50,000	3,214,150
Total Assets	\$ 110,918,264	\$ 38,426,574	\$ 29,637,230	\$ 33,519,734	\$ 81,969,936	\$ 77,649,677	\$ 13,102,116	\$ 38,257,249	\$ 423,480,780
Liabilities and Fund Balances									
Liabilities									
Accounts Payable	\$ 5,202,030	\$ 6,143,312	\$ -	\$ -	\$ 184,374	\$ -	\$ 440,948	\$ 1,469,465	\$ 13,440,129
Payroll Withholdings	1,480,220	-	-	-	-	-	-	-	1,480,220
Salaries Payable	517,490	-	-	-	-	-	-	-	517,490
Due to Other Funds	49,858,222	32,283,262	-	7,057	21,737,777	799,561	12,271,302	9,360,023	126,317,204
Due to Other Governments	3,866,927	-	-	-	21,763,188	-	-	-	25,630,115
Deferred Revenues	-	-	-	-	31,585,311	-	331,364	422,255	32,338,930
Total Liabilities	60,924,889	38,426,574	-	7,057	75,270,650	799,561	13,043,614	11,251,743	199,724,068
Fund Balances									
Reserved for:									
Inventory	-	-	-	-	-	-	-	25,165	25,165
Encumbrances	-	-	-	-	-	-	58,502	12,294	70,796
Debt Service	-	-	29,637,230	33,512,677	-	76,850,116	-	-	140,000,023
Prepaid Items	1,676,894	-	-	-	-	-	-	-	1,676,894
Capital Items	-	-	-	-	6,699,286	-	-	22,986,000	29,685,286
Unreserved, Reported in:									
General Fund - Undesignated	48,316,481	-	-	-	-	-	-	-	48,316,481
Capital Projects Fund	-	-	-	-	-	-	-	-	-
Special Revenue Fund	-	-	-	-	-	-	-	3,982,047	3,982,047
Total Fund Balances	49,993,375	-	29,637,230	33,512,677	6,699,286	76,850,116	58,502	27,005,506	223,756,692
Total Liabilities and Fund Balances	\$ 110,918,264	\$ 38,426,574	\$ 29,637,230	\$ 33,519,734	\$ 81,969,936	\$ 77,649,677	\$ 13,102,116	\$ 38,257,249	\$ 423,480,780

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2010

Total Fund Balances at June 30, 2010 - Governmental Funds		\$ 223,756,692
Cost of Capital Assets at June 30, 2010	167,370,751	
Less: Accumulated Depreciation as of June 30, 2010		
Buildings	(65,874,778)	
Movable Property	<u>(10,210,749)</u>	91,285,224
Accounts Receivable - RSD		134,614,743
Consolidation of Internal Service Funds		-
Long-Term Liabilities at June 30, 2010		
Bonds Payable	(155,411,854)	
Capital Leases	(964,000)	
Notes Payable	(196,291)	
Loans Payable	(135,636,990)	
Interest Payable	(42,884,505)	
Claims Payable	(41,524,068)	
Compensated Absences Payable	<u>(14,294,718)</u>	<u>(390,912,426)</u>
Total Net Assets at June 30, 2010 - Governmental Activities		\$ 58,744,233

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2010

	General Fund	Pass Through Fund	General Obligation Bond Fund	Refunding Bond Fund	Hurricane Katrina Restoration Fund	Gulf Opportunity Bond Fund	Federal Grant Fund	Other Governmental Funds	Total
Revenues									
Local Sources									
Ad Valorem Taxes	\$ 9,183,517	\$ 87,131,144	\$ 14,202,961	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,517,622
Sales and Use Tax	2,859,403	66,247,703	-	14,705,031	-	-	-	1,107,120	84,919,257
Earnings (Loss) on Investments	1,537,408	-	-	-	151,815	(270,307)	-	-	1,418,916
Food Services	-	-	-	-	-	-	-	555,079	555,079
Donations	64,723	-	-	-	-	-	-	19,586	84,309
Other	1,624,861	-	-	-	-	-	-	18,150,666	19,775,527
State and Federal Sources									
Minimum Foundation Program	9,574,667	25,857,878	-	-	-	-	-	87,792	35,520,337
State Revenue Sharing	1,625,992	-	-	-	-	-	-	-	1,625,992
Other	1,583,597	-	-	-	-	-	36,491	1,692,366	3,312,454
Federal Sources	157,922	-	-	-	8,849,319	-	47,063,975	6,736,920	62,828,136
Total Revenues	28,212,090	179,236,725	14,202,961	14,705,031	9,001,134	(270,307)	47,120,466	26,349,529	320,557,629
Expenditures									
Current									
Instruction									
Regular Programs	11,741,153	-	-	-	410,267	-	1,527,222	501,740	14,180,382
Special Programs	2,224,169	-	-	-	-	-	3,355,371	36,406	5,615,946
Other Programs	1,485,948	-	-	-	-	-	25,235,134	748,731	27,469,813
Support									
Student Services	1,060,801	-	-	-	-	-	4,050,717	129,534	5,241,052
Instructional Staff Support	1,127,846	-	-	-	-	-	7,700,474	275,216	9,103,536
General Administration	3,000,371	4,590,256	-	232,823	-	-	-	1,093,439	6,916,889
School Administration	1,457,434	-	-	-	-	-	39,181	-	1,496,615
Business Services	2,041,587	-	-	-	2,219	-	19,448	1,252,077	3,315,331
Student Transportation Services	2,551,994	-	-	-	-	-	788,208	12,306	3,352,508
Central Services	3,475,355	-	-	-	-	-	98,183	-	3,573,538
Plant Services	5,361,358	-	-	-	932,006	-	216,542	194,326	6,704,232
Food Services	-	-	-	-	-	-	37,066	3,630,562	3,667,628
Capital Outlay	-	-	-	-	8,940,616	-	464,481	6,328,858	15,733,955
Other	370,000 *	-	-	-	-	-	-	2,652,785	3,222,785
Debt Service									
Principal Retirement	-	-	7,265,000	9,211,876	-	-	-	932,023	17,408,899
Interest and Bank Charges	-	-	6,636,080	10,221,101	-	-	-	157,383	17,014,564
Total Expenditures	35,898,016	4,590,256	13,901,080	19,665,800	10,285,108	-	43,532,027	18,145,386	146,017,673
Excess of Revenues Over (Under) Expenditures	(7,685,926)	174,646,469	301,881	(4,960,769)	(1,283,974)	(270,307)	3,588,439	10,204,143	174,539,956

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Revenues, Expenditures and
Changes in Fund Balances (Continued)
Governmental Funds
Fiscal Year Ended June 30, 2010

	General Fund	Pass Through Fund	General Obligation Bond Fund	Refunding Bond Fund	Hurricane Katrina Restoration Fund	Gulf Opportunity Bond Fund	Federal Grant Fund	Other Governmental Funds	Total
Other Financing Sources (Uses)									
Proceeds from Debt Service									
Gulf Opportunity Bonds	-	-	-	-	-	-	-	-	-
Transfers In	4,017,502	-	-	-	-	-	441,823	-	4,459,325
Transfers Out	(572,889)	-	-	-	-	-	(3,971,760)	-	(4,544,649)
Transfers Out - Charter Schools	-	(50,364,375)	-	-	-	-	-	-	(50,364,375)
Transfers Out - Recovery School District	-	(114,282,094)	-	-	-	-	-	-	(114,282,094)
Transfers Out - Other LEA	-	-	(588,214)	-	-	-	-	-	(588,214)
Total Other Financing Sources (Uses)	3,444,613	(174,646,469)	(588,214)	-	-	-	(3,529,937)	-	(175,320,007)
Net Change in Fund Balances	(4,241,313)	-	(286,333)	(4,960,769)	(1,283,974)	(270,307)	58,502	10,204,143	(760,051)
Fund Balances, June 30, 2009	54,234,688	-	29,923,563	38,473,446	7,983,260	77,120,423	-	16,801,363	224,536,743
Fund Balances, June 30, 2010	\$ 49,993,375	\$ -	\$ 29,637,230	\$ 33,512,677	\$ 6,699,286	\$ 76,850,116	\$ 58,502	\$ 27,005,506	\$ 223,756,592

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Reconciliation of the Governmental Funds - Statement of
Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Fiscal Year Ended June 30, 2010

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Excess of Expenditures and Other Uses Over Revenues and		
Other Financing Sources - Total Governmental Funds	\$	(780,051)
Capital Assets		
Capital Outlay and Other Expenditures Capitalized	16,297,547	
Asset Impairment	(1,364,796)	
Depreciation Expense for Year Ended June 30, 2010	(4,492,951)	
Assets Disposed	(14,588)	10,425,212
	<hr/>	
Change in Net Assets of Internal Service Funds		(862,673)
Long-Term Debt		
Principal Portion of Debt Service and Capital Lease Payments	17,408,901	
Excess of Interest Paid Over Interest Accrued	3,439,821	
Decrease in Estimate of Long-Term Claims Payable	22,423,017	
Excess of Compensated Absences Used Over Amounts Earned	3,118,424	46,390,163
	<hr/>	<hr/>
Change in Net Assets - Governmental Activities	\$	<u>55,172,651</u>

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Net Assets
Proprietary Funds - Internal Service
June 30, 2010

Assets	
Current	
Cash and Cash Equivalents	\$ 3,201,470
Other Receivables	1,915,519
Due from Other Funds	17,096,073
	<hr/>
Total Assets	22,213,062
	<hr/>
Liabilities and Net Assets	
Liabilities	
Current	
Accounts Payable	553,888
Due to Other Funds	11,813,815
Noncurrent	
Claims Payable	5,588,802
Deferred Revenue	4,256,557
	<hr/>
Total Liabilities	22,213,062
	<hr/>
Net Assets	
Restricted	\$ -
	<hr/>

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Revenues, Expenses
and Changes in Net Assets
Proprietary Funds - Internal Service
Fiscal Year Ended June 30, 2010

Operating Revenues	
Employer Contributions	\$ 6,097,425
Retiree Contributions	2,379,599
Retiree State Contributions	228,840
Total Operating Revenues	8,705,864
Operating Expenses	
Central Services	9,493,298
General Administrative	160,563
Total Operating Expenses	9,653,861
Operating Loss	(947,997)
Nonoperating Revenues	
Transfers in	85,324
Change in Net Assets	(862,673)
Net Assets, June 30, 2009	862,673
Net Assets, June 30, 2010	\$ -

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Cash Flows
Proprietary Funds - Internal Service
Fiscal Year Ended June 30, 2010

Cash Flows from Operating Activities	
Cash Premiums Received	\$ 5,946,939
Cash Paid in Claims and Benefits	(8,216,126)
Net Cash Used in Operating Activities	(2,269,187)
Cash Flows from Non-Capital Financing Activities	
Interfund Transfers	85,324
Net Cash Provided by Non-Capital Financing Activities	85,324
Net Decrease in Cash	(2,183,863)
Cash at Beginning of Year	5,385,333
Cash at End of Year	\$ 3,201,470
Reconciliation of Operating Loss to Net Cash Used in Operating Activities	
Operating Loss	\$ (947,997)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:	
Changes in	
Other Receivables	(473,036)
Due from Other Funds	(2,770,075)
Accounts Payable	213,696
Deferred Revenue	484,186
Due to Other Funds	1,696,871
Claims Payable	(472,832)
Net Cash Used in Operating Activities	\$ (2,269,187)

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	Trust Funds	Agency Funds
Assets		
Cash and Cash Equivalents	\$ -	\$ 295,964
Investments	196,935	-
Accounts Receivable	510	-
Due from Other Funds	315,223	-
Total Assets	512,668	295,964
Liabilities		
Accounts Payable	-	29,855
Due to Student Groups	-	266,109
Total Liabilities	-	295,964
Net Assets		
Held in Trust for Various Purposes	\$ 512,668	\$ -

The accompanying notes are an integral part of these financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Fiscal Year Ended June 30, 2010

	Trust Funds
Additions	
Contributions	\$ 4,988
Interest and Investment Loss	(30,597)
	<hr/>
Total Additions	(25,609)
 Deductions	
Administrative Expenses	28,444
	<hr/>
 Changes in Net Assets	(54,053)
 Net Assets - Beginning	566,721
	<hr/>
Net Assets - Ending	\$ 512,668
	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 1. General Information

The Orleans Parish School Board (School Board) is a corporate body created under Louisiana Revised Statutes 17:51 and 17:121. A board consisting of seven members (the Board) elected from legally established districts is charged with the management and operation of the school system.

The school system, prior to Hurricane Katrina was composed of a central office, 125 schools and support facilities. Student enrollment prior to the hurricane was approximately 60,000. Prior to the hurricane, the School Board employed approximately 8,000 persons, approximately 6,000 of whom are directly involved in the instructional process. The remaining 2,000 employees provided ancillary support such as general administration, repair and maintenance, business and central services, bus transportation and food service.

As of August 29, 2005, the majority of the employees of the School Board were put on Disaster Leave and on March 24, 2006, approximately 8,000 of the School Board's employees were terminated. As of the report date, the School Board has approximately 516 full time or part-time employees of which approximately 313 are involved in the instructional process.

In November 2005, Louisiana House Bill 121 (Act 35) transferred control of each School Board school deemed to be in academic crisis, as determined by standardized student testing results, resulting in approximately 83% (106 schools) of the School Board's former schools being transferred to the Louisiana State Department of Education's Recovery School District (RSD). The RSD is responsible for providing all educational services to students attending the School Board transferred schools. Act 35 provided for the transfer of operational and managerial control of the transferred schools for a period of not less than five years. Further, Act 35 provides the RSD with authorization to manage and retain funding under the Minimum Foundation Program corresponding to the students attending the transferred schools. While the School Board retains ownership of each School Board transferred school, all rights and responsibilities associated with property ownership were transferred to the RSD.

As of the report date, the School Board is operating five schools and two programs with approximately 2,700 students. The School Board also has twelve charter schools opened and operating that have approximately 7,400 students. The School Board is working collaboratively with the RSD to ensure that a sufficient number of additional schools are opened to provide educational services to the New Orleans student population.

The regular school term begins in mid-August and runs through early June.

Note 2. Summary of Significant Accounting Policies

The School Board complies with accounting principles generally accepted in the United States of America (GAAP). The School Board's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999. The following is a summary of the School Board's significant accounting policies:

Financial Reporting Entity

GASB Statement No. 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the School Board to impose its will on that organization.
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the School Board.
2. Organizations for which the School Board does not appoint a voting majority but are fiscally dependent on the School Board.
3. Organizations for which the reporting entity's financial statements would be incomplete or misleading if data of the organization is not included due to the nature and significance of the relationship.

Under provisions of this Statement, the School Board is considered a *primary government*, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board has eleven component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected School Board members are financially accountable. Copies of submitted audited financial statements are available on the legislative auditor's web site at www.la.state.la.us. There are no other primary governments with which the School Board has a significant relationship. Certain units of local government over which the School Board exercises no authority, such as the City-Parish government and other independently elected officials, are excluded from the accompanying financial statements. These units of government are considered separate from those of the School Board. The School Board is not a component unit of any other entity.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Financial Reporting Entity (Continued)

Component units which require inclusion in the basic financial statements are as follows:

Component Units	Number of Students
Charter Schools	
* Audubon Charter School	667
* Ben Franklin High School	593
* Warren Easton Senior High School	846
* Einstein Charter School	435
* Hynes Charter School	499
* Lake Forest Elementary Charter School	456
* Lusher Charter School	1,514
* New Orleans Charter Science and Math High School	372
* Priestley School of Architecture and Construction	313
* Robert Russa Moton Charter School	227
* Algiers Charter Schools	
Alice M. Harte Elementary	615
Edna Karr High School	842
Total Charter Student Enrollment	7,379

* Submitted 6/30/10 audited financial statements.

Primary Government	Number of Students
Orleans Parish School Board Schools	
Schools:	
Bethune Elementary School	309
McDonogh No. 35 High School	972
McMain High School	692
Benjamin Franklin Elementary	549
Programs:	
Alternative Learning Center	107
Youth Study Center	32
Total OPSB Student Enrollment	2,661

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The School Board's *Basic Financial Statements* consist of the government-wide statements on all of the non-fiduciary activities and the fund financial statements (individual major funds and combined nonmajor funds). The statements are prepared in accordance with accounting principles generally accepted in the United States of America, as applied to governmental units. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their proprietary funds, subject to the same limitation. The School Board has elected not to follow subsequent private-sector guidance.

Government-Wide Financial Statements

The Government-Wide Financial Statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of the related cash flows. Property taxes are recognized when the underlying sales transactions occur. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Operating grants and contributions consist of the many educational grants received from the federal and state government.

As a general rule, the effect of interfund activity has been removed from these statements. Exceptions to the general rule are advances between fiduciary funds and the various functions of the School Board. The government-wide presentation focuses primarily on the sustainability of the School Board as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The internal service funds provide services to the governmental funds. Accordingly, the internal service funds activities were rolled up into the governmental activities in the Government-Wide Financial Statements. Pursuant to GASB Statement No. 34, the internal activities have been eliminated in order to avoid the "grossing-up" effect of a straight inclusion.

The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of GASB Statement No. 34. Emphasis is on the major funds in either the governmental or business-type categories. Non-major funds (by category or fund type) are summarized into a single column.

The daily accounts and operations of the School Board are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The funds of the School Board are classified into three broad categories: Governmental, Proprietary and Fiduciary. In turn, each category is divided into separate fund types.

Governmental Fund Types

General Fund - The General Fund is the primary operating fund of the School Board. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is reported as a major fund.

Pass Through Fund - Special revenue fund established to account for the collection of ad valorem taxes, sales taxes and certain state funding. These revenues are then transferred to the appropriate funds or other entities. The Pass Through Fund is reported as a major fund.

General Obligation Bond Fund - Debt service fund established to account for the accumulation of resources for and payment of long-term debt principal, interest and related costs on outstanding general obligation bonds issued by the Orleans Parish School Board. Fund revenues include receipt of ad valorem taxes from constitutional millage and interest earned on cash balances. Additionally, the School Board may transfer from the General Fund amounts to cover deficiencies, if any, or to provide additional reserves to service future obligations. The General Obligation Bond Fund is reported as a major fund.

Refunding Bond Fund - Debt service fund established to account for the accumulation of resources for and payment of long-term debt principal, interest and related costs on outstanding refunding bonds issued by the Orleans Parish School Board. Fund revenues include receipt of sales and use taxes and interest earned on cash balances. Additionally, the School Board may transfer from the General Fund amounts to cover deficiencies, if any, or to provide additional reserves to service future obligations. The Refunding Bond Fund is reported as a major fund.

Hurricane Katrina Restoration Fund - Capital projects fund established to account for receipts and expenditures for projects funded with insurance proceeds received following Hurricane Katrina and FEMA grant monies for reimbursement of allowable expenditures not covered by insurance. Fund expenditures are used for mold remediation inside flooded schools, repairs and major construction to hurricane damaged schools, school facilities and administrative facilities. The Hurricane Katrina Restoration Fund is reported as a major fund.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Governmental Fund Types (Continued)

Gulf Opportunity Bond Fund - Debt service fund established for funds received which were authorized by the Gulf Opportunity Zone Act of 2005 and Act 41 of the First Extraordinary Session of the Louisiana Legislature of 2006. These funds are utilized to assist in payment of debt service requirements from 2006 through 2008 due to disruption of revenue streams caused by Hurricanes Katrina and Rita. The Gulf Opportunity Bond fund is reported as a major fund.

Federal Grant Fund - Special revenue fund established to account for revenues from federal sources which are legally restricted to expenditures for specified purposes. The Federal Grant Fund is reported as a major fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. These funds account for the revenues and expenditures related to federal, state and local grant and entitlement programs for various educational objectives and child nutrition services.

Debt Service Funds - Debt Service Funds, established to meet requirements of bond ordinances and other long-term borrowing, are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs and some capitalized leases. A separate Debt Service Fund is maintained for each similar bond issue type (e.g., General Obligation Bonds, Refunding Bonds, EPA Loans) or each refunding, unique issue, or long-term loan currently outstanding.

Capital Projects Funds - Capital Projects Funds are used to account for the receipt and disbursement of the proceeds of general bond issues and other special or designated revenues used for the acquisition or construction of major capital facilities, renovations and major repairs (other than General Fund capital outlays, and Special Revenue Fund capital outlays).

Proprietary Fund Type

Internal Service Funds - Internal Service Funds are used to account for the financing of services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The Employee Health Insurance Fund, Retiree Health Insurance Fund, Workers' Compensation Insurance Fund and E-Rate Fund are reported as Internal Service Funds.

Fiduciary Fund Types

Agency Funds - Agency Funds are used to account for assets held by the School Board as an agent for individuals, private organizations or other governmental units and/or other funds. The School Board has one agency fund which is used to account for those monies collected by pupils and school personnel for school and school-related purposes.

Trust Funds - Trust Funds are created to account for cash, investments and other resources contributed by various individuals to the School Board to be expended for purposes for which the trusts were established.

In accordance with GASB, the Fiduciary Funds information is presented separately within this report and is not included in the Government-Wide Financial Statements or Fund Financial Statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Basis of Accounting/Measurement Focus

Government-Wide Financial Statements (GWFS)

The GWFS are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The Proprietary Fund and Fiduciary Fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Proprietary Fund type's operating statement presents increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. In the Proprietary Fund, current premium and claims expenses or increases in claims estimates occurring in the current period are considered operating expenses. Contributions received which are related to these operating expenses are considered operating revenues. Interest earned on bank accounts or monies received from other funds which exceed their allocated share of the current operating expenses of the Proprietary Fund are considered non-operating revenues or transfers-in to the fund.

The Governmental Fund type is accounted for on the modified accrual basis of accounting. The following paragraphs describe the revenue recognition practices under that basis.

Revenues

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Charges for services, fines and forfeits, and most governmental miscellaneous revenues, including investment earnings are recorded as earned since they are measurable and available. The School Board's definition of available means expected to be received within sixty days of the end of the fiscal year for property taxes and generally the next twelve months for other revenues. Revenues not considered available are recorded as deferred revenues.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Revenues (Continued)

Non-exchange transactions, in which the School Board receives value without directly giving value in return, include sales tax, property tax, special assessments, grants, entitlements, and donations. Property taxes are considered measurable in the calendar year of the tax levy if collected soon enough to meet the availability criteria. Sales taxes are considered measurable when the underlying transaction occurs and meets the availability criteria. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Special assessments are recognized as revenues only to the extent that individual installments are considered current assets in the governmental fund types. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources can be used.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Costs of accumulated unpaid vacation, sick leave and other employee benefit amounts are reported in the period due and payable rather than the period earned by employees, and general long-term obligations principal and interest payments are recognized only when due.

The Proprietary Fund type and Trust Funds are accounted for using the accrual basis of accounting; revenues are recognized when earned and expenses are recognized when incurred.

Budget and Budgetary Accounting

The School Board follows these procedures in establishing the budgetary data reflected in the financial statements:

The General Fund and the Special Revenue Funds are the only funds with legally required budgets. The General Fund budget and the Special Revenue Funds' budgets are adopted on an annual basis. These budgets include proposed expenditures and the means of financing them.

Annually, the Superintendent submits to the School Board a proposed annual appropriated budget for the General Fund and Special Revenues Funds. Public hearings are advertised and conducted to obtain taxpayer comments and the proposed budgets are published. The budget is adopted by the School Board and, as required, is submitted no later than September 30th to the State Department of Education for approval. The Superintendent is authorized to move budgeted items within the functional categories, the legal level of control, but may not increase the total amount authorized.

Expenditures for Special Revenue Fund Budgets, except for the Child Nutrition Program, may not exceed budgeted amounts by more than five percent unless a budget revision is approved by the State Department of Education. For the Child Nutrition Program, budget amendments follow the same requirements as the General Fund.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Budget and Budgetary Accounting (Continued)

The Capital Projects Funds' budgets are adopted on a project basis, since such projects may be started and completed at any time during the year or may extend beyond one fiscal year. Capital Projects Funds are allocated by project using architectural and engineering estimates. All projects remain programmed and funded until completed or until the School Board decides to eliminate the project. Accordingly, budget and actual comparisons are not reported in the basic financial statements for those funds.

Budgets are prepared on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations at year end that have been approved by the Board are generally expended during the next fiscal year's operations, assuming that the underlying liability is ultimately incurred. Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the School Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services; they are reported as reservations of fund balance. Outstanding encumbrances are added to the budget in the subsequent year and are reported as expenditures when incurred. Encumbrances as of June 30, 2010 amounted to \$70,796.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include interest-bearing demand deposits and short-term investments as described below, with a maturity date within three months of the date of acquisition.

State statutes authorize the School Board to invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. The School Board's Cash Management and Investment Policy requires that cash balances of all funds are combined and invested to the extent possible in direct obligations of the U.S. Government or its agencies, certificates of deposit and other short-term obligations. Interest earned on these investments is distributed to the individual funds on the basis of invested balances of the participating funds during the year.

Investments for the School Board are reported at fair value which exceeded book value by \$873,203.

Accounts Receivable

Management has recorded an \$870,717 allowance for the General Fund receivables from the charter schools and a \$598,338 allowance for the E-Rate Fund receivable. Management considers all other receivables outstanding at June 30, 2010 to be fully collectible and as such, has no provision for uncollectible receivables recorded related to these receivables.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Inventory

Government-Wide Level

Inventory is stated at first-in, first-out (FIFO) cost and consists of food items held for consumption at the various schools. The cost of inventory items is recognized as an expense when used.

Fund Level

Inventory of the Child Nutrition Special Revenue Fund consists of food, lunchroom materials, and supplies purchased by the School Board and commodities granted by the United States Department of Agriculture (USDA) through the Louisiana Department of Agriculture and Forestry. Inventory items purchased are valued at FIFO cost. Costs are recorded as expenditures at the time individual items are consumed (consumption method). Commodities are valued at the market value at the date of donation based on market values provided by the USDA. The amount of commodity inventory is included in deferred revenue until consumed.

Capital Assets

All capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The School Board maintains threshold levels for capitalizing capital assets as follows: movable capital assets with a cost of \$5,000 or more per unit, all land and land improvements with a cost of \$50,000 or more, and buildings and building improvements that extend the useful life of a building with a cost of \$50,000 or more.

Capital assets are recorded in the GWFS, but are not reported in the FFS. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School Board, no salvage value is taken into consideration for depreciation purposes. Useful lives are as follows: from 3 to 10 years for furniture and equipment, 5 to 8 years for transportation equipment, 5 to 20 years for equipment, 25 years for building improvements, 10 to 20 years for improvements other than building, and 20 to 40 years for buildings. Costs of assets damaged by Hurricane Katrina were reduced by the impairment and the adjusted cost depreciated over the assets' remaining useful life.

Reserves and Designations

Portions of fund balances are reserved for future use and, therefore, are not available for appropriation or expenditure. Designations of unreserved fund balances in Governmental Fund types indicate the School Board's plans for the use of financial resources in a future period.

Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All interfund transfers are reported as operating transfers.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Compensated Absences

Under School Board policy, each employee is entitled to ten days of sick leave per year. Sick leave may be accumulated without limit; however, employees or their heirs are only reimbursed for accumulated sick leave up to twenty-five days upon death or retirement at the employees' current rate of pay. The accrual computation for earned sick leave is calculated on a 25-day maximum per employee. Sick leave is not payable upon discharge or termination (non-retirement). Upon retirement, accumulated sick leave in excess of reimbursement may be used in the retirement benefit computation as earned service.

Full-time employees who work year-round are granted vacation in varying amounts (maximum of 22 days per year) as established by School Board policy. Such leave is credited on a pro rata basis at the end of each payroll reporting period and accumulates. All leave earned during any fiscal year must be taken within the following six month period or it is forfeited. Any unused leave may be paid to the employee at termination.

Sabbatical leave may be granted for medical or professional purposes. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous services, or two semesters of sabbatical leave after six or more years of continuous service. Sabbatical leave is paid at 65% of salary. Sabbatical leave is accrued upon Board approval.

Deferred Revenues

The School Board reports deferred revenues when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

Long-Term Obligations

For government-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34, the amortization of the costs of bonds is amortized prospectively from the date of adoption of GASB Statement No. 34.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing sources, net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Restricted Net Assets

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the School Board's policy to use restricted resources first, then unrestricted resources as they are needed.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 3. Deposits and Investments

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Under state law, all deposits are secured by federal depository insurance or the pledge of securities held by the pledging banks agent in the School Board's name. At June 30, 2010, the carrying amount of the School Board's deposits (demand deposits) was \$171,933,304 and the related bank balances were \$172,729,542. The entire bank balance of \$172,729,542 was covered by collateral held by the pledging banks' trust department or agent in the School Board's name at June 30, 2010.

In addition, four schools maintained Student Activity Funds with book and bank balances of \$295,964 and \$306,691, respectively. The bank balances of these accounts were secured by federal depository insurance and the pledge of securities held by the pledging banks agent in the School Board's name. These funds are not assets of the School Board, but rather assets held for the benefit of the students attending those schools and are reported as Agency Funds in Required Supplementary Section and not included in the government-wide financial statements.

Investments

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The School Board has a formal investment policy that limits investment of amounts in excess of immediate cash requirements only to statutorily permitted investments.

Credit risk. State law limits investments to the following:

1. Direct United States Treasury obligations
2. Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America
3. Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by U.S. government instrumentalities, which are federally sponsored
4. Direct security repurchase agreements of any federal book entry only securities
5. Time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, savings accounts or shares of savings and loan associations and savings banks
6. Mutual or trust fund institutions which are registered with the SEC and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies
7. Guaranteed investment contracts issued by a bank, financial institution, insurance company, or other entity having one of the two highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service
8. Investment grade commercial paper of domestic United States corporations

The School Board has no investment policy that would further limit its investment choices.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

Included in investments as of June 30, 2010, are marketable securities, which are uninsured investments for which the securities are held in a fiduciary trust fund, of \$52,116,827.

As of June 30, 2010, the School Board had the following investments:

Investment	Maturity Date	Book Value	Market Value
U.S. Treasury Notes	12/15/10-6/15/12	\$ 27,597,699	\$ 28,066,789
Federal Home Loan Mortgage Corp Note	8/23/2010	1,502,715	1,510,785
Federal Home Loan Bank Note	9/29/2010	466,406	470,375
Federal Home Loan Mortgage Corp Note	12/8/2010	351,164	356,892
Federal National Mortgage Assoc. Note	12/15/2010	1,355,802	1,378,687
Federal National Mortgage Assoc. Note	4/15/2011	3,580,859	3,632,335
Federal National Mortgage Assoc. Note	5/15/2011	3,198,676	3,288,803
Federal Home Loan Mortgage Corp Note	12/15/2011	2,971,996	2,998,235
Federal National Mortgage Assoc. Note	2/16/2012	2,120,712	2,139,380
Federal National Mortgage Assoc. Note	4/20/2012	2,109,020	2,143,974
Federal National Mortgage Assoc. Note	5/18/2012	2,223,858	2,262,099
Federal Home Loan Bank Note	6/20/2012	3,483,807	3,525,486
Federal Home Loan Mortgage Corp Note	9/21/2012	1,760,693	1,809,509
Citigroup Note	7/12/2012	520,217	533,478
		<u>\$ 53,243,624</u>	<u>\$ 54,116,827</u>

Concentration of Credit Risk - The School Board's investment in the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association are 8%, 13% and 27%, respectively.

The investments in the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and the Federal Home Loan Bank all have a credit rating of AAA from Standard & Poor's and Aaa from Moody's Investors Service.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 4. Ad Valorem Taxes and Sales Tax

Ad valorem taxes were levied by the School Board on October 28, 2009 for the calendar year 2010, based on the assessed valuation of property as of October 2009. Values are established by the Orleans Parish Assessors' Offices each year based on 10% of the assessed market value of residential property and commercial land and on 15% of the assessed market value of commercial buildings, public utilities and personal property. The taxes become due on January 1 of each year, and become delinquent on February 1. Before the taxes can be collected, the assessment list (tax roll) must be submitted to the Louisiana Tax Commission for approval. From the day the tax roll is filed in the Board of Tax Commission, it shall act as a lien on each specific piece of real estate thereon assessed, which shall be subject to a legal mortgage after the year for the payment of the tax due on it. Ad valorem taxes are collected by the City of New Orleans and remitted to the School Board on a periodic basis. The taxes are generally collected in December, January, and February of the fiscal year. A list of property on which taxes have not been paid is published in the official journal by the City of New Orleans. If taxes are not paid within the period stipulated in the public notice, the property is sold for taxes due at a tax sale held by the City of New Orleans. The tax sale is usually held prior to the end of the School Board's fiscal year.

The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expires
Constitutional Millage	25.76	25.76	Not Applicable
Dedicated Millage			
Purpose A School Books, Materials and Supplies	1.55	1.55	2018
Purpose B Early Childhood, Discipline and Dropout Programs	1.55	1.55	2018
Purpose C Employee Salary, Benefits and Incentives	7.27	7.27	2018
Purpose D Air Conditioning, Asbestos Removal and Facilities	2.32	2.32	2028
School Board General Obligation Bond Taxes	5.67	5.67	2025
Total Millage		<u>44.12</u>	

On July 19, 2008, the voters of Orleans Parish approved an extension of the Dedicate Millage for Purposes A, B and C for another 10 years, and Purpose D for another 20 years.

All ad valorem taxes are recorded on the basis explained in Note 2. For governmental funds, revenues are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year end. The School Board records these taxes gross of the assessor's and City's collection fees, which amounted to approximately \$2,366,721 and \$2,210,351, respectively, for the year ended June 30, 2010.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 4. Ad Valorem Taxes and Sales Tax (Continued)

Since ad valorem taxes receivable are secured by property, there is no allowance for uncollectible taxes.

Sales taxes are assessed and due on the first day of the month subsequent to the month of sale of any retail sales of goods used or consumed within Orleans Parish, including leases and rentals of movable tangible property. The rate of sales tax dedicated to the School Board is one and one-half percent. Revenues arising from the one percent sales tax authorized by the voters of Orleans Parish in 1966 are used exclusively for the payment of salaries of teachers and/or for the general operations of the School Board. The proceeds of the one-half percent sales tax, which was authorized in 1980, are used for the payment of salaries of teachers and other educational employees of the School Board, for the expenses of maintaining and operating schools and for providing funds to pay for capital improvements.

Sales taxes which remain uncollected on the twenty-first day of the month due are classified as delinquent. Sales taxes are collected by the City of New Orleans and the State of Louisiana and are remitted monthly to the School Board. The School Board records these taxes in the period that the underlying transaction occurred, including the City's collection fees, which amounted to approximately \$1,258,000, for the year ended June 30, 2010.

During the fiscal year ended June 30, 2010, the School Board increased its millage from 20.11 mills to 25.76 mills. The Louisiana Legislative Auditor notified the City of New Orleans (the "City") that it determined that the School Board did not comply with applicable laws and regulations regarding publication and public hearing requirements pertaining to millage increases. As a result, the City escrowed \$12,856,269 of property taxes corresponding to the increase in the School Board's millage.

The School Board disagreed with the determination made by the Louisiana Legislative Auditor, and contends that it proceeded in accordance with laws and regulations regarding publication and public hearing requirements pertaining to millage increases. Based on this contention, the School Board and the City entered into a Millage Release Acknowledgement and Indemnification Agreement (the "Agreement") in August 2010, whereby the City agreed to release the escrowed property taxes to the School Board based upon the School Board's agreement to indemnify the City from any and all costs associated with (i) any challenge to the School Board's levy of the additional mills, (ii) the City's collection of the additional mills, and (iii) the City's release of the escrowed property taxes to the School Board pursuant to the Agreement. The School Board's liability, if any, would only be the amount received by the School Board as calculated by the Local Distribution Formula.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 5. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2010, are as follows:

	Land*	Buildings and Improvements	Furniture and Equipment	Construction in Process*	Total
Assets at Cost					
Balance at June 30, 2009	\$ 7,917,434	\$ 123,238,881	\$ 15,442,975	\$ 7,281,310	\$ 153,880,600
Additions	-	1,517,431	660,559	14,119,557	16,297,547
Deletions	-	(14,604)	-	-	(14,604)
Transfers	-	996,029	-	(996,029)	-
Impairment	(221,277)	(2,411,221)	(19,095)	(141,199)	(2,792,792)
Balance at June 30, 2010	7,696,157	123,326,516	16,084,439	20,263,639	167,370,751
Accumulated Depreciation					
Balance at June 30, 2009	-	64,568,303	8,452,285	-	73,020,588
Additions	-	2,727,989	1,764,962	-	4,492,951
Deletions	-	(16)	-	-	(16)
Impairment	-	(1,421,500)	(6,496)	-	(1,427,996)
Balance at June 30, 2010	-	65,874,776	10,210,751	-	76,085,527
Capital Assets, Net of Accumulated Depreciation at June 30, 2010	\$ 7,696,157	\$ 57,451,740	\$ 5,873,688	\$ 20,263,639	\$ 91,285,224
* Not being depreciated					

The School Board reviewed its capital assets for impairment and noted that some buildings were deemed to be permanently impaired. The value was adjusted for a total of \$1,364,976 as of June 30, 2010.

Depreciation expense, loss on disposals, and impairment for the year ended June 30, 2010, was charged to the following governmental functions:

	Depreciation	Loss on Disposals	Impairment
Instruction			
Regular Education Programs	\$ 716,104	\$ 2,325	\$ 217,527
Special Education Programs	283,603	921	86,149
Other Education Programs	1,387,219	4,504	421,387
Support			
Student Services	264,671	859	80,398
Instructional Staff Services	459,725	1,493	139,648
General Administration	450,299	1,462	136,785
School Administration	75,578	245	22,958
Business and Central Services	167,422	544	50,857
Transportation Services	169,300	550	51,427
Central Services	180,462	586	54,818
Plant Services	338,561	1,099	102,843
Total	\$ 4,492,944	\$ 14,588	\$ 1,364,796

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 6. Defined Benefit Pension Plans

Plan Description - Substantially all School Board employees participate in either the Teachers' Retirement System of Louisiana or the Louisiana School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems. Each system is administered and controlled at the State level by a separate board of trustees with contribution rates and benefit provisions approved by the Louisiana Legislature. Participation in the Teachers' Retirement System is primarily divided into two plans - the Teachers' Regular Plan and the Teachers' Plan B. Five years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits under each plan.

Each of the Systems issues a publicly available financial report on an annual basis that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling or viewing their websites:

Teachers' Retirement System of Louisiana

8401 United Plaza Blvd., 3rd Floor
P.O. Box 94123
Baton Rouge, Louisiana 70804-9123
(225) 925-6446
www.trsl.org

Louisiana School Employees' Retirement System

8660 United Plaza Blvd., 1st Floor
P.O. Box 44516
Baton Rouge, LA 70804
(225) 925-6484
www.lasers.state.la.us

Funding Policy - Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2010, for the School Board and covered employees were as follows:

	School Board	Employees
Teachers' Retirement System of Louisiana		
Regular Plan	15.5%	8.0%
Plan B	15.5%	5.0%
Louisiana School Employees' Retirement System	17.6%	7.5%

As provided by Louisiana Revised Statute 11:103, the School Board's contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 6. Defined Benefit Pension Plans (Continued)

The contributions made to the systems for the past three fiscal years, which substantially equaled the required contributions for each of these years, were as follows:

	2010	2009	2008
Teachers' Retirement System of Louisiana	\$ 3,177,980	\$ 3,200,986	\$ 3,349,471
Louisiana School Employees' Retirement System	\$ 83,636	\$ 138,907	\$ 148,617

Note 7. Other Post Employment Benefits (OPEB)

In accordance with state statutes, the School Board provides certain post employment health care to its retired employees. Substantially all of the School Board's employees may become eligible for such benefits upon reaching retirement age, if they are currently participating in the active health plan. Starting on February 1, 2006, the School Board paid approximately 25% of the health insurance costs for retired employees and their covered dependents. Retirees contribute 75% of the retiree and dependent coverage premiums. Retirees who are eligible for Parts A and B of Medicare pay a reduced premium for health coverage. Prior to February 1, 2006, the School Board had a traditional fully-insured Health Insurance Plan and recorded expenditures as premiums were paid. On February 1, 2006, the School Board changed to a self insured Health Insurance Plan and records expenditures as amounts are remitted to Coventry Healthcare of Louisiana Insurance Company, a third party administrator that reimbursed medical providers for participant claims. For the year ended June 30, 2010, the School Board's cost for providing all health care benefits to the 637 retired employees and their dependents amounted to \$2,862,562.

Effective with the fiscal year beginning July 1, 2007, the School Board implemented Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions (GASB 45)*.

Annual OPEB Cost

The School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities (UAL) over a period not to exceed thirty years. A level dollar, closed amortization period has been used. The total ARC for the fiscal year beginning July 1, 2009 is \$1,401,000 as set forth below.

Normal Cost	\$ 49,000
Interest on Normal Cost	2,000
Amortization Payment	1,292,000
Interest on Amortization Payment	58,000
Annual Required Contribution (ARC)	<u>\$ 1,401,000</u>

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 7. Other Post Employment Benefits (OPEB) (Continued)

The following table shows the School Board's OPEB Obligation for the fiscal year 2010:

Beginning Net OPEB Obligation, July 1, 2009	\$	(1,616,140)
Annual Required Contribution	1,401,000	
Interest on Net OPEB Obligation	(73,000)	
ARC Adjustment	95,000	
OPEB Cost	1,423,000	
Contributions Made	-	
Current Year Retiree Premium	1,961,000	
Change in Net OPEB Obligation		(538,000)
Ending Net OPEB Obligation, June 30, 2010	\$	(2,154,140)

The following table shows the School Board's annual Post-Employment Benefits (PEB) cost, percentage of the cost contributed, and the net unfunded Post-Employment Benefits (PEB) liability:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net PEB Liability (Asset)
June 30, 2010	\$ 1,423,000	137.81%	\$ (2,154,140)

Funded Status and Funding Progress

In the fiscal year ended June 30, 2010, the School Board made no contributions to its post employment benefits plan trust since such a trust had not been established. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of July 1, 2009, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$33,840,000, which is defined as that portion, as determined by a particular actuarial cost method (the School Board uses the Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2009-2010, the entire actuarial liability of \$33,840,000 was unfunded.

Below is the schedule of funding progress for the year ended June 30, 2010:

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
7/1/2009	\$ -	\$ 33,840,000	\$ 33,840,000	0%	\$ 25,976,732	130%

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 7. Other Post Employment Benefits (OPEB) (Continued)

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) termination probabilities; (2) retirement rate; (3) health care cost trend rate; (4) participation assumption; (5) mortality rate and age based morbidity; (6) discount rate (investment return assumption); (7) non-claim expenses; and (8) salary increase assumption. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the School Board and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the School Board and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the School Board and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method

The ARC is determined using the Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets

Since the ARC has not yet been funded, there are not any assets. It is anticipated that, if funding should take place in the future, a smoothed market value consistent with Actuarial Standards Board Actuarial Standards of Practice Number 6 (ASOP 6) would be used, as provided in paragraph number 125 of GASB Statement No. 45.

Turnover Rate

Annual termination probabilities have been developed from the Municipal Employees' Retirement System Actuarial Valuation Report as of June 30, 2008. Sample rates are as follows:

Years of Service	Rate
1	0.24
2	0.19
3	0.16
4	0.12
5	0.1
6 - 8	0.08
9 - 10	0.06
11 - 13	0.05
14 - 16	0.03
17 - 20	0.01

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 7. Other Post Employment Benefits (OPEB) (Continued)

Expected Time of Commencement of Benefits and Eligibility

Medical benefits are provided to employees upon retirement according to the retirement eligibility (D.R.O.P. entry) provisions of Teachers' Retirement System of Louisiana (TRSL) as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 65 and 5 years of service. Some employees are covered by other plans and are also eligible to retire at age 65 and 6 years of service. It is assumed that entitlement to benefits will commence three years after meeting eligibility to enter D.R.O.P.

Investment Return Assumption (Discount Rate)

GASB Statement No. 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Based on the assumption that the ARC will be funded, a 4.5% annual investment return has been used in this valuation.

Health Care Cost Trend Rate

The health care cost trend assumption is used to project the cost of health care to future years. The valuation uses a health care cost trend rate assumption of 8.00% in the year July 1, 2009 to June 30, 2010 grading down until reaching an ultimate health care cost trend rate of 5.00% in 2020, as follows:

2010 - 2013	8.0%
2014	7.9%
2015	7.8%
2016	7.7%
2017	7.6%
2018	6.7%
2019	6.0%
2020 and Later	5.0%

Participation Assumption

The participation assumption is the assumed percentage of future retirees that participate and enroll in the health plan. The participation assumption used in this valuation is 25% for pre-65 retirees and 70% of pre-65 enrollees continuing coverage beyond age 65, and is based on data provided by the School Board.

Per Capita Health Claim Cost

Per capita health claim costs are developed from historical claims experience and stop loss reimbursements from June 2008 through May 2010 and age-adjusted for retirees age 60 and age 70. The annual per capita health claim costs for retirees and spouses in the period July 1, 2009 to June 30, 2010 are:

Age 60	\$7,360
Age 70	\$9,663

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 7. Other Post Employment Benefits (OPEB) (Continued)

Age Based Morbidity

The assumed per capita health claim costs are adjusted to reflect expected increases related to age. The increase in per capita health claim costs related to age are assumed to be the following:

Age	Increase
42 - 46	3.19%
47 - 51	3.89%
52 - 56	3.58%
57 - 61	4.52%
62 - 64	5.06%

Salary Increase Assumption

The salary increase assumption is 3.5% per annum.

Non-Claim Expenses

Non-claim expenses are based on the current amounts charged per retired employee. These amounts are provided in the table below, effective September 1, 2010:

Expense Type	Cost Per Retired Employee Per Month
	PPO
Stop Loss - Specific (Single)	\$15.10
Stop Loss - Specific (Family)	\$54.70
Administrative Fee	\$33.10

It is assumed that these expenses increase with healthcare cost trend.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 8. Long-Term Obligations

Bonds Payable	Range of Interest in Remaining Years	Final Maturity	Balance as of June 30, 2010
General Obligation Bonds			
Series 1995 - Issued 10/01/1995	5.3 - 5.375%	9/1/2018	\$ 22,780,000
Series 1996 - Issued 03/01/96	5.00%	9/1/2020	21,995,000
Series 1997 - Issued 03/01/1997	5.250 - 5.375%	9/1/2021	23,425,000
Series 1997A - Issued 12/01/1997	5.250 - 5.375%	9/1/2021	23,425,000
Series 1998A - Issued 03/01/1998	4.95 - 5.125%	9/1/2022	24,910,000
Series 1998B - Issued 03/01/1998	4.8 - 5.5%	9/1/2020	7,760,000
Refunding Bonds			
Series 1991 - Issued 12/01/1991	7.15 - 7.65%	2/1/2015	13,036,854
Series 1995 A&B - Issued 12/01/1995	5.2 - 6.65%	2/1/2014	18,080,000
Debt Service Assistance Program Loan	4.64%	7/15/2026	76,160,936
Community Disaster Loan	2.93 - 2.94%	8/27/2011	59,476,054
EPA Loans	7.64%	5/31/2011	196,291
Total			<u>\$ 291,245,135</u>

All of the bonds and notes payable of the School Board are reported in the government-wide financial statements and are serviced by the debt service funds with revenues as described below.

General Obligation Bonds

General Obligation Bonds are backed by the full faith, credit and taxing power of the School Board. Five series of General Obligation Bonds for \$35 million each have been issued: Series 1995, dated October 1, 1995, Series 1996, dated March 1, 1996, Series 1997, dated March 1, 1997, Series 1997A dated December 1, 1997, and Series 1998A dated March 1, 1998. In 1998 \$8,155,000 of General Obligation School Refunding Bonds, Series 1998B, dated March 9, 1998 were issued and used to advance refund \$7,140,000 of General Obligation Series 1995 bonds dated October 1, 1995 maturing in September 2020. These general obligation bonds are insured and are payable from: (1) the annual levy and collection of an unlimited ad valorem tax on all taxable properties; (2) interest earned on net bond proceeds and debt service assets; and (3) revenues collected by the Educational Trust Fund District, as described below.

The purpose of the General Obligation Bonds is to provide monies: to improve land for building sites and playgrounds, including construction of necessary sidewalks and streets; to improve school buildings and other related facilities by acquiring necessary equipment and furnishings therefore; and to complete those projects set forth in Capital Improvements Program III.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 8. Long-Term Obligations (Continued)

The Educational Trust Fund District (Trust Fund) is governed by the Board members of the School Board and serves as a conduit for the collection of specific revenues supporting the debt service requirements of the General Obligation Bonds. The Trust Fund is to collect any and all ad valorem property taxes levied and collected on property used for any permanent or temporary land-based casino gaming establishment or on any riverboat and its licensed berth (except for specific taxes levied by the City of New Orleans or Downtown Development District) for the purpose of repairing, upgrading, improving and acquiring property and the construction of school buildings and related structures, improvements, and constructions owned and operated by the School Board.

On February 17, 1996, the School Board entered into a Cooperative Endeavor Agreement with the Educational Facilities Trust Fund District making available revenues generated from 1.56 mills, representing the 1995 roll forward of the School Board's Constitutional Millage and Proposition Millage, to be pledged and dedicated to the \$175,000,000 General Obligation Bonds (herein referred to as "Roll Forward"). Because the Trust Fund (1) has no assets, (2) is governed by the Board of the School Board, and (3) all its activities are included in the financial statements of the School Board, the separate presentation of the Trust Fund as a component unit or separate entity is not considered necessary.

Refunding Bonds

The Refunding Bonds are special limited School Board obligations payable from and secured by pledge of and lien on ad valorem taxes, sales taxes and revenue sharing. The bonds do not constitute general indebtedness or pledge of the general credit of the School Board.

\$121,698,366 Public School Refunding Bonds, Series 1991, dated December 1, 1991, partially refunded by the Series 1995 A and B Bonds described below - The purpose of these bonds was to refund the Public School Refunding Bonds, Series 1990. The bonds are insured and are payable from the one-half percent Dedicated Sales Tax and the Constitutional Millage.

\$98,970,000 (1995A-Taxable) and \$22,815,000 (1995B-Tax Exempt) Public School Refunding Bonds, dated December 1, 1995 - The purpose of these bonds was to redeem \$105,038,118 principal plus interest of \$8,866,381 on the Capital Appreciation Bonds of the Public School Refunding Bonds, Series 1991, which were subsequently called and are no longer outstanding. The bonds are insured and are payable from: (1) one-half percent Dedicated Sales Tax and (2) Constitutional Millage, subject to a prior and superior pledge of the tax in favor of the owners of the School Board's outstanding Refunding bonds, Series 1995. These bonds partially refunded the Capital Appreciation Bonds.

Debt Service Assistance Program Loan

In July 2006, the School Board and the State of Louisiana (the State) entered into a Cooperative Endeavor Agreement whereby the State agreed to lend up to \$76,152,754 from State funds on deposit in the Debt Service Assistance Fund, authorized by the Gulf Opportunity Zone Act of 2005 and Act 41 of the First Extraordinary Session of the Louisiana Legislature of 2006, to assist in payment of debt service requirements from 2006 through 2008 due to disruption of revenue streams caused by Hurricanes Katrina and Rita. Draw downs on the loan were made as debt service payments became due. No principal or interest shall be payable during the initial five year period of the loan. After the expiration of the initial five year period, the loan shall bear interest at a fixed rate of 4.64%.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 8. Long-Term Obligations (Continued)

Debt Service Assistance Program Loan (Continued)

Principal payments on the bonds begin in July 2012 and the loan will mature in July 2026. Interest is payable semi-annually on January 15 and July 15 beginning January 2012. The loan may be prepaid without penalty or premium. The School Board has the right to request one extension of its obligation to begin payments under the loan not to exceed five years. As of June 30, 2010, the School Board has drawn down \$76,160,936 on this agreement.

Community Disaster Loan

On August 27, 2006, the Federal Emergency Management Agency (FEMA), under the provisions of the Community Disaster Loan Act of 2005, approved the School Board's second application for a disaster loan in the amount of \$33,045,240. On April 18, 2006, the School Board's first application was approved in the amount of \$26,430,814, of which \$25,001,093 was drawn down during fiscal year 2006. The School Board drew down the remaining \$1,429,721 and the entire \$33,045,240 related to the amounts approved during the fiscal years ended June 30, 2006 and 2007, respectively. The purposes of these loans were to allow the School Board to carry on existing governmental functions and to expand such functions to meet disaster-related needs. The term of these loans are for five years with an interest rate that is based on the five year Treasury rate on the date the Promissory Note is signed by FEMA, plus 1% rounded to the nearest 1/8%, and reducing this total by one half. The interest rates are 2.94% and 2.93% for the loans approved during the fiscal years ended June 30, 2006 and 2007, respectively.

As described in Note 21, the School Board applied for cancellation of \$40,905,906 of the total loans. The School Board may also apply for an extension of five years to repay the balance, which is management's intention. As such, the Debt Service Requirements schedule below reflects the principal and interest payments as long term. Interest accrues on a simple interest basis from date of receipt of loan proceeds. The loans are collateralized with the School Board's future revenue after provision has been made for payments required in connection with any outstanding bond indebtedness in existence at the time of these CDL loans. As of June 30, 2010, the outstanding principal and accrued interest payable on these loans were \$59,476,054 and \$6,828,314 respectively.

Defeased Bonds

In October 1990, the School Board entered into a \$104,510,380 advance refunding transaction (Series 1990) for a portion of the School Board's Series 1987 Bonds. These securities were deposited in a trust with an escrow agent to provide for all the future debt services payments. Accordingly, the escrow account and the liability for the bonds are not included in the School Board's statement of net assets. As of June 30, 2010, the outstanding principal balance of the Series 1987 Bonds totaled \$13,710,000.

In March 1998, the School Board entered into an \$8,155,000 refunding transaction (Series 1998B) for a portion of the School Board's Series 1995 General Obligations maturing September 2020. At June 30, 2010, the outstanding principal balance of the 1995 bonds, which are not included in the School Board's balance sheet, as they are considered defeased, totaled \$7,140,000.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 8. Long-Term Obligations (Continued)

EPA Loans

Approval was obtained from the State Bond Commission to issue promissory notes on an interest-free basis, repayable over a twenty year period. Proceeds from the notes finance the removal of asbestos from certain school buildings. The notes, issued to the U.S. Environmental Protection Agency (EPA), have no stated interest rate. Generally accepted accounting principles require that interest be imputed on loans with no stated rate. There were five EPA loans, of which three have been paid off. The two remaining notes from 1991 and 1992 have interest imputed at the rate of 7.641%. Of the \$5,555,600 of authorized notes that were advanced to the School Board, a remaining balance of \$196,291 is still outstanding and owed at year-end. Semi-annual principal payments are made on the loans which have terms expiring in 2011.

Debt Service Requirements

The annual requirements to amortize all long-term debt outstanding at June 30, 2010, excluding capital leases, accrued compensated absences and claims payable is as follows:

Year Ending June 30,	General Obligation Bonds		Refunding Bonds	
	Principal	Interest	Principal	Interest
2011	\$ 7,695,000	\$ 6,256,204	\$ 7,991,087	\$ 10,382,823
2012	8,140,000	5,853,826	7,759,240	10,614,200
2013	8,610,000	5,424,843	7,522,321	10,846,644
2014	9,115,000	4,968,173	7,290,329	11,080,756
2015	9,640,000	4,482,869	553,877	2,256,121
2016-2020	57,375,000	14,032,226	-	-
2021-2024	23,720,000	1,283,900	-	-
Total	\$ 124,295,000	\$ 42,302,041	\$ 31,116,854	\$ 45,180,544

Year Ending June 30,	GO Zone Bonds		Community Disaster Loan	
	Principal	Interest	Principal	Interest
2011	\$ -	\$ -	\$ -	\$ -
2012	-	1,766,934	-	-
2013	3,626,190	3,449,740	-	-
2014	3,794,445	3,277,581	-	-
2015	3,970,507	3,097,434	59,476,054	3,828,314
2016-2020	22,793,037	12,478,451	-	-
2021-2024	28,595,049	6,541,832	-	-
2025-2029	13,381,708	627,950	-	-
Total	\$ 76,160,936	\$ 31,239,922	\$ 59,476,054	\$ 3,828,314

Year Ending June 30,	EPA Loans		Total - All Debt	
	Principal	Interest	Principal	Interest
2011	\$ 196,291	\$ 14,149	\$ 15,882,378	\$ 16,653,176
2012	-	-	15,899,240	18,234,960
2013	-	-	19,758,511	19,721,227
2014	-	-	20,199,774	19,326,510
2015	-	-	73,640,438	13,664,738
2016-2020	-	-	80,168,037	26,510,677
2021-2024	-	-	52,315,049	7,825,732
2025-2029	-	-	13,381,708	627,950
Total	\$ 196,291	\$ 14,149	\$ 291,245,135	\$ 122,564,970

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 8. Long-Term Obligations (Continued)

Long-Term Obligations	Beginning Balance	Additions/ Change in Estimates	Retirements	Ending Balance	Balance Due Within One Year
General Obligation Bonds					
Series 1995	\$ 24,585,000	\$ -	\$ 1,805,000	\$ 22,780,000	\$ 1,925,000
Series 1996	23,425,000	-	1,430,000	21,995,000	1,510,000
Series 1997	24,780,000	-	1,355,000	23,425,000	1,430,000
Series 1997A	24,780,000	-	1,355,000	23,425,000	1,430,000
Series 1998A	26,185,000	-	1,275,000	24,910,000	1,350,000
Series 1998B	7,805,000	-	45,000	7,760,000	50,000
Refunding Bonds					
* Series 1991	16,523,730	-	3,486,876	13,036,854	3,336,087
Series 1995 A&B	22,815,000	-	4,735,000	18,080,000	4,655,000
Loans					
Debt Service Assistance Program Loan	76,160,936	-	-	76,160,936	-
Community Disaster Loan (CDL)	59,476,054	-	-	59,476,054	-
EPA Loans	471,686	-	275,395	196,291	196,291
Capital Leases					
Energy Retrofit Lease 06/26/03	1,954,000	-	990,000	964,000	964,000
Motorola Equipment	656,630	-	656,630	-	-
Interest Payable on Refunding Series 1991	38,473,446	4,002,588	8,963,356	33,512,678	-
Interest Payable on CDL	5,083,023	1,745,291	-	6,828,314	-
Accrued Compensated Absences	17,413,142	-	3,118,424	14,294,718	3,118,424
Liability for Claims Payable	63,947,085	(22,377,553)	45,464	41,524,068	-
Total Long-Term Obligations	\$ 434,534,732	\$ (16,629,674)	\$ 29,536,145	\$388,368,913	\$ 19,964,802

* Interest is compounded and due in the future on previous years interest payable which was recorded as principal.

Bond Indentures

There are a number of limitations and restrictions contained in the various bond indentures. The School Board is in compliance with all significant covenants.

Statutory Debt Limit

As of June 30, 2010, the statutory debt limit for general obligation bonds was \$937,433,652 and the net legal debt margin was \$842,775,882. There was \$29,637,230 available in the Debt Service Fund to pay debt service requirements on the general obligation bonds outstanding at June 30, 2010.

Note 9. Leases

Operating Leases

The School Board has a number of operating leases for land, buildings and equipment used for schools and administrative centers.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 9. Leases (Continued)

Operating Leases (Continued)

For these leases, the School Board has, as of June 30, 2010, contractual agreements requiring the following annual rental payments:

Fiscal Year Ending June 30,	Amount
2011	\$ 694,317
2012	408,513

Rental expenditures under operating leases for facilities for the year ended June 30, 2010, amounted to \$904,911.

Capital Leases

The School Board records items under capital leases as an asset and an obligation in the accompanying financial statements. Energy retrofit improvements for 1996-1997 were expensed or are considered fully depreciated.

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 2010:

Fiscal Year	Energy Retrofit
2011	<u>\$ 1,002,600</u>
Total	1,002,600
Less: Amounts Representing Interest	<u>(38,600)</u>
Present Valued of Net Minumum Lease Payment	<u>\$ 964,000</u>

On April 1, 1996, the Louisiana Public Facilities Authority (LPFA) issued \$11,175,000 Lease Revenue Bonds (Orleans Parish School Board Energy Retrofit Project), Series 1996. The bonds were limited and special obligations of the LPFA and were secured by a Trust Indenture, dated April 1, 1996.

The LPFA used the proceeds from the sale of the bonds to: (1) purchase from the School Board certain energy retrofit improvements and equipment for all public school buildings of the School Board (hereinafter referred to as the "Project"); (2) fund a Reserve Fund; and (3) pay the cost of issuance of the bonds, including bond insurance premium. As the improvements and equipment were acquired and installed, the School Board sold the Project to the LPFA and the LPFA concurrently leased the Project to the School Board through a Lease Agreement, dated April 1, 1996, under which the School Board is obligated to annually appropriate funds in an amount sufficient to pay the principal of and interest on the Bonds, as well as other payment obligations, including the Reserve Fund Requirement (as defined in the Indenture), as payments become due.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 9. Leases (Continued)

Capital Leases (Continued)

The Project used the bonds proceeds and the Lease Agreement to implement certain replacement, retrofit and/or upgrade improvements to 121 public school buildings of the School Board designed to reduce operating and maintenance expenses. The improvements to the School Board's existing facilities fall into four major categories, as follows: (1) Energy Management; (2) Heating, Ventilation and Air Conditioning Systems; (3) Lighting Systems; and (4) Water Conservation Measures.

In the event the School Board fails to make any rental payment under the Lease Agreement, pursuant to a Withholding Agreement, the Trustee is authorized to notify the State Treasurer, who will then withhold the School Board's allocation of State Revenue Sharing Funds in the amount equal to any deficiency not paid as required under the Lease Agreement.

As of June 30, 2010, the principal balance remaining on the Energy Retrofit capital lease totaled \$964,000.

On January 1, 2005, Orleans Parish School Board entered into a capital lease agreement to upgrade communication equipment. The terms of the capital lease require ten annual payments of \$130,155 through January 1, 2015 at an annual interest rate of 5.19%. The equipment has a capitalized cost of \$995,810. During the year ended June 30, 2010 the lease was paid in full resulting in a balance of \$-0-.

Note 10. Due To/From Other Funds

Individual balances due to/from other funds at June 30, 2010, are as follows:

	Due To Other Funds	Due From Other Funds
Governmental Funds		
General Fund	\$ 49,858,222	\$ 87,835,530
Pass Through Fund	32,283,262	580,093
General Obligation Bonds - Debt Service Fund	-	451,475
Refunding Bonds - Debt Service Fund	7,057	-
Hurricane Katrina Restoration - Capital Projects Fund	21,737,777	239,000
Gulf Opportunity Bonds - Debt Service Fund	799,561	-
Federal Grant Fund - Special Revenue Fund	12,271,302	427,268
Other Non-major Governmental Funds		
Non-major Special Revenue Funds	682,634	4,324,078
Non-major Debt Service Funds	-	-
Non-major Capital Project Funds	8,677,389	26,862,279
Expendable Trust	-	315,223
Proprietary Funds	<u>11,813,815</u>	<u>17,096,073</u>
Total	<u>\$ 138,131,019</u>	<u>\$ 138,131,019</u>

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 10. Due To/From Other Funds (Continued)

The primary purpose of interfund receivables/payables are to (1) loan monies from the General Fund to individual federal funds to cover grant expenditures pending reimbursement from the respective granting agencies and (2) reflect operating transfers due from the General Fund to other funds. All interfund payables are expected to be repaid within the next fiscal year.

Note 11. Changes in Agency Funds - Deposits Due Others

Agency Fund	Balance at July 1, 2009	Additions	Deletions	Balance at June 30, 2010
Student Activity	\$ 343,524	\$ 674,390	\$ 751,805	\$ 266,109
Total	\$ 343,524	\$ 674,390	\$ 751,805	\$ 266,109

Note 12. On-Behalf Payments for Fringe Benefits and Salaries

On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments. The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$18,718. On-behalf revenues and related expense is recorded in the General Fund.

Note 13. Act No. 640

Act No. 640 of the 2010 Regular Session of the Louisiana Legislature allows the Orleans Parish School Board to exclude certain costs from the amount of local revenues that it would otherwise be required to transfer to the Recovery School District to fund certain legacy cost arising from Hurricane Katrina and Act 35 of the 2010 Extraordinary Legislative Session. The exclusion is limited to \$6 million dollars each year, although any excess in cost may be carried over to the next fiscal year.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 13. Act No. 640 (Continued)

Legacy costs as of June 30, 2010 are as follows:

Legacy Costs	2010
Employer's cost of health insurance for retired participants in the Board's plan as of July 1, 2009, not to exceed 25% of total premium costs	\$ 1,689,962
A supplement of \$200 per month for health insurance premiums for retired participants in the Board's plan as of July 1, 2009	1,172,600
Workers' compensation claims filed against the Board prior to August 29, 2005, including administrative costs	3,002,333
Costs to defend legal claims against the Board prior to August 29, 2005	672,752
Legal claims against the Board after August 29, 2005 attributable to Hurricane Katrina or Act 35 of 1995 1st Extraordinary Session	222,283
Cost of short-term borrowing, including but not limited to attorney fees and interest	-
Fee of one-tenth of one percent of total ad valorem and sales taxes collected	195,437
Total	<u>6,955,367</u>
Maximum Allowed	(6,000,000)
Carryover To Next Fiscal Year	<u>\$ 955,367</u>

The exclusion expires (1) once the above costs are extinguished, (2) upon action by the Orleans Parish School Board to reduce the constitutional millage from the level in effect for FY 2009-2010, (3) 12 months following the full settlement of the Orleans Parish School Board Special Community Disaster Loans, or (4) 20 tax years from the roll forward millage adoption, whichever occurs first.

Note 14. Litigation and Contingencies

Claims

The School Board is a defendant in several workers' compensation, personal injury, personnel action and contractual lawsuits. Provisions for losses for these lawsuits are recorded in the financial statements, principally in long-term debt obligations. Management and legal counsel for the School Board believe that the potential claims against the School Board, not covered by insurance, are covered by the recorded liability. A summary of significant claims are as follows:

Eddy Oliver, et al. vs. Orleans Parish School Board, CDC No. 2005-12244 (Wrongful Termination)
Plaintiffs filed suit against the School Board under the Fair Labor and Standards Act (FLSA) alleging that certain teacher's aides, custodians, child nutritionists, secretaries, bus or truck drivers, security guards, and para-professionals worked up to forty (40) hours per week, but the School Board failed and/or refused to compensate them for all hours worked at their regular rate of pay. They also allege that they worked in excess of forty (40) hours per week, but the School Board failed and/or refused to pay overtime. Plaintiffs are seeking class certification. Potential liability is estimated at \$5,000,000.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 14. Litigation and Contingencies (Continued)

Claims (Continued)

John Johnson, et al. vs. Orleans Parish School Board, et al., CDC No. 93-14333 c/w 94-5446, 94-12996, 95-13271 (Toxic Tort)

Plaintiffs filed this environmental class action law suit related to a school built on an allegedly contaminated site. Judgment was rendered in favor of the class and against the School Board (the Housing Authority of New Orleans, and the City of New Orleans were also casted in judgment). A Court-approved procedure for unnamed class-members was established to determine dollar liability. The School Board's liability estimate is \$12,000,000.

Madeline Edwards, Individually and o/b/o Her Minor Son, Derrick Edwards vs. Orleans Parish School Board, et al. Our File No.: 63062 (1989 Football Injury; Student Now Quadriplegic)

The case involves a student athlete who was paralyzed in a football game. The only parties remaining in the litigation are the Orleans Parish School Board and the excess insurance carrier for St. Augustine High School (the opposing football team). All of the other defendants have either settled their claims with the plaintiff and/or have been dismissed from the suit (settlements total \$1.05 million).

The case was settled with the plaintiff in November 2007 for \$1 million. In addition, the excess insurance carrier was awarded \$550,000 for reimbursement from the School Board for its settlement with another party involved in this case. The School Board appealed this judgment and the Fourth Circuit, Court of Appeal affirmed the trial court's summary judgment in favor of the insurance carrier.

UTNO v. OPSB ("Health and Welfare Trust Fund" Lawsuit)

In these lawsuits the Health and Welfare Trust Fund was seeking \$457,410 and \$4,998,400, respectively. It contended that it was owed for the 2004-05 school year in unpaid employee trust fund contributions. The School Board approved a settlement with UTNO on January 19, 2010.

Federal and State Grants

In the normal course of operations, the School Board receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants.

Construction Contracts

At June 30, 2010, the School Board had construction commitments of approximately \$1,600,514. These commitments will be paid out of the Capital Projects Funds.

Millage Release Acknowledgement and Indemnification Agreement

As discussed in Note 4, the School Board entered into a Millage Release Acknowledgment and Indemnification Agreement with the City of New Orleans in August 2010, whereby the City agreed to release escrowed property taxes to the School Board based upon the School Board's agreement to indemnify the City from any and all costs associated with (i) any challenge to the School Board's levy of the additional mills, (ii) the City's collection of the additional mills, and (iii) the City's release of the escrowed property taxes to the School Board pursuant to the Agreement.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 15. Interfund Operating Transfers

Interfund operating transfers for the year ended June 30, 2010, were as follows:

	Transfers In	Transfers Out
Governmental Funds		
General Fund	\$ 4,017,501	\$ 572,889
Federal Grant Fund	441,824	3,971,760
Non-Major Governmental Funds		
Non-Major Special Revenue Funds	-	-
Proprietary Funds	85,324	-
Total	\$ 4,544,649	\$ 4,544,649

Operating transfers between the General Fund and other funds are generally made to provide supplemental funds for program operations.

Note 16. Risk Management

The School Board is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; workers' compensation and health insurance for its employees. The School Board has established the following internal service funds to account for and finance these risks of loss:

Health Insurance/Retiree Insurance

These funds are used to account for the employee, retiree and employer contributions to, and the payment of self-insured claims for the Health Insurance Plan. On February 1, 2006, the School Board offered a self-insured employee medical and Health Insurance Plan financed solely by employees and the School Board. The plan has a \$200,000 stop-loss provision, whereby any claims incurred in excess of the amount for a single insured is covered by reinsurance purchased by the School Board. Prior to February 1, 2006, the School Board offered a fully-insured Health Insurance.

Workers' Compensation

This fund is used to account for claims arising from employment related injuries prior to July 1, 2006. The School Board maintained a self-insurance plan, which included the purchase of insurance for claims in excess of \$500,000 per occurrence. The workers' compensation limit for each accident is the statutory amount. At June 30, 2010 there were approximately 102 active claims.

Other Insurance

This fund is used to account for retiree paid life insurance premiums and expenditures.

Self-insured litigated claims are not reported in internal service funds, but the revenues and expenses for non-litigated claims are in the General Fund. The estimate for litigated claim liabilities is reported in the Government-Wide Financial Statements.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 16. Risk Management (Continued)

Other Insurance (Continued)

A reconciliation of the unpaid claims liability, including the litigated claims reserve, as of June 30th is as follows:

	Workers' Compensation Fund	Employee Health Insurance Fund	Retiree Health Insurance Fund	Litigated Claims	Total
Unpaid Claims, as Previously Reported June 30, 2009	\$ 4,701,634	\$ 312,259	\$ 1,047,741	\$ 63,947,085	\$ 70,008,719
Current Year Claims Incurred and Changes in Estimates	2,529,507	2,267,803	4,298,402	(22,377,553)	(13,281,841)
Claims Paid	(3,002,333)	(2,267,803)	(4,298,402)	(45,464) [*]	(9,614,002)
Unpaid Claims as of Year Ended June 30, 2010	<u>\$ 4,228,808</u>	<u>\$ 312,259</u>	<u>\$ 1,047,741</u>	<u>\$ 41,524,068</u>	<u>\$ 47,112,876</u>

The above unpaid claims as of June 30th include amounts for claims incurred but not yet reported, as determined from actual claims paid subsequent to year-end as well as an estimate based upon historical lag trends.

Note 17. Deficits in Fund Equity

The CDBG Capital Projects Fund has a fund deficit of 7,289,026. This fund deficit is expected to be funded by making a draw down from the funds set aside for the School Board by the Community Development Block Grant.

Note 18. Contingency for Unbilled Federal Revenue

Included in Due from Other Governments are \$5,477,075 of amounts that are unbilled. At this time, it is uncertain whether all of these amounts will be recovered under the federal programs as they are recorded. Once the School Board has billed these amounts and received the reimbursements, adjustments will be recorded as required.

Note 19. Reserves and Designations

Reserved for Encumbrances - This reserve was established for outstanding purchase orders that the School Board intends to honor.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 19. Reserves and Designations (Continued)

Reserved for Debt Service - This reserve represents the amounts reserved for payment of principal and interest maturing in future years on bonded debt.

Reserved for Inventory - This reserve was established for food inventories in the Child Nutrition Fund which will be used in the future fiscal period.

Reserved for Prepaid Items - This reserve was established for property insurance which will be used in the future fiscal period.

Reserved for Capital Items - This reserve was established for capital purchases which will be used in future fiscal periods.

Designated for Capital Projects Fund - This represents unreserved funds in the Capital Projects Funds that are designated for construction and renovation projects.

Designated for Special Revenue Fund - This represents the unexpended portion of unrestricted monies received by the School Board and designated for special programs.

Note 20. Hurricane Katrina Insurance Proceeds

The School Board had insurance policies in effect at the time of Hurricane Katrina for comprehensive property damage (including flood), casualty, business interruption and other coverage's in the aggregate amount of \$200,000,000 and additional insurance policies covering flood damage for a total of \$17,800,000. Since August 2005, the School Board has received \$59.4 million in Hurricane Katrina insurance proceeds.

The School Board has filed lawsuits against its insurers to collect its remaining claims for additional aggregate damage of approximately \$175,000,000, (the "Insurance Litigation"). The Louisiana State Board of Elementary and Secondary Education, the Louisiana Department of Education, and the Recovery School District, intervened, asserting their entitlement to a portion of the insurance proceeds. On November 30, 2009, OPSB filed a Second Amended and Supplemental Petition in the insurance lawsuit in order to institute a concursus proceeding or in the alternative, obtain a declaratory judgment seeking a judgment to the effect that it, and it alone, is entitled to all amounts paid by insurers. The School Board maintains that as a matter of contract it, as sole named insured to said insurance policies, is the sole beneficiary to the proceeds payable for the losses associated with Hurricane Katrina on August 29, 2005. While the School Board is confident of its position, it anticipates that it will be challenged by other interested parties. Accordingly, at this time it is not possible to determine whether all or some lesser portions will ultimately be retained by the School Board.

During FY 2009-2010, the School Board agreed to a preliminary settlement with the Recovery School District, with both entities receiving \$18 million each, a total of \$36 million. The balance of the insurance proceeds, approximately \$23.4 million, continue to be classified as deferred revenue.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 21. Subsequent Events

FEMA Award

On August 29, 2010, President Obama announced the Federal Emergency Management Agency's (FEMA) award of \$1.8 billion to the New Orleans Public Schools. This funding, plus an additional \$206 million not discussed in the announcement, represent FEMA's total funding to settle the Orleans Parish School Board (OPSB) and the Recovery School District's (RSD) eligible disaster damage claim for school facilities and contents.

In addition to addressing damages to facilities and contents, this award has also supported and will continue to support temporary leased facilities, nine temporary modular school campuses, temporary bussing costs, and other expenses that are necessary due to the impact of Hurricane Katrina.

Most of OPSB's and RSD's funds have been structured into Alternate Projects under FEMA's Public Assistance program, which allows applicants to designate alternative ways to utilize FEMA funding to support the best interests of the community. This alternate project funding vehicle will provide maximum flexibility to facilitate the implementation of the School Facilities Master Plan for Orleans Parish. Further, the alternate project structure will allow OPSB and RSD to submit expenses for property procured and executed work in the years immediately following the disaster.

Community Disaster Loan Cancellation

On November 16, 2010, the School Board has applied for cancellation of the Community Disaster Loan in the amount of \$40,905,906 plus accrued interest in the amount of \$4,696,316. Approval of the request for cancellation is subject to multiple federal government reviews. A decision on the request for cancellation is expected by January 31, 2011.

New Long-Term Obligation

The School Board issued \$97,005,000 in refunding bonds on September 1, 2010 for the purpose of refunding the outstanding (a) General Obligation School Bonds Series 1995, (b) General Obligation School Bonds, Series 1996, (c) General Obligation School Bonds, Series 1997, (d) General Obligation School Bonds, Series 1997A, (e) General Obligation School Bonds, Series 1998A, and (f) General Obligation School Refunding Bonds, Series 1998B. The debt will be paid from the unlimited ad valorem taxation.

Millage Release Acknowledgement and Indemnification Agreement

As discussed in Note 4, the School Board entered into a Millage Release Acknowledgment and Indemnification Agreement with the City of New Orleans in August 2010, whereby the City agreed to release escrowed property taxes to the School Board based upon the School Board's agreement to indemnify the City from any and all costs associated with (i) any challenge to the School Board's levy of the additional mills, (ii) the City's collection of the additional mills, and (iii) the City's release of the escrowed property taxes to the School Board pursuant to the Agreement.

REQUIRED SUPPLEMENTARY INFORMATION - (PART II)
BUDGETARY COMPARISON SCHEDULE

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2010

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local Sources				
Ad Valorem Taxes	\$ 4,668,031	\$ 12,884,521	\$ 9,183,517	\$ (3,701,004)
Sales and Use Tax (Including Vehicle)	3,785,216	2,788,099	2,859,403	71,304
Earnings on Investments	1,750,000	1,750,000	1,537,408	(212,592)
Donations			64,723	64,723
Other	4,148,094	3,349,512	1,624,861	(1,724,651)
State and Federal Sources				
Minimum Foundation Program	9,775,860	9,574,667	9,574,667	-
State Revenue Sharing	1,113,585	1,113,585	1,625,992	512,407
Other	762,068	762,068	1,583,597	821,529
Federal Sources	-	-	157,922	157,922
Total Revenues	26,002,854	32,222,452	28,212,090	(4,010,362)
Expenditures				
Current				
Instruction				
Regular Programs	11,318,300	12,007,739	11,741,153	266,586
Special Programs	2,225,762	2,286,528	2,224,169	62,359
Other Programs	819,835	1,503,357	1,485,948	17,409
Support				
Student Services	1,540,016	1,121,938	1,060,801	61,137
Instructional Staff Support	964,208	1,154,459	1,127,846	26,613
General Administration	2,846,623	2,748,910	3,000,371	(251,461)
School Administration	1,328,954	1,523,318	1,457,434	65,884
Business Services	1,275,659	2,063,702	2,041,587	22,115
Student Transportation Services	2,435,000	2,592,616	2,551,994	40,622
Central Services	3,443,616	3,511,228	3,475,355	35,873
Plant Services	5,487,959	5,403,099	5,361,358	41,741
Other	229,063	-	-	-
Food Services	-	-	-	-
Capital Outlay	-	-	-	-
Other	-	-	370,000	(370,000)
Debt Service				
Principal Retirement	-	-	-	-
Interest and Bank Charges	-	-	-	-
Total Expenditures	33,914,995	35,916,894	35,898,016	18,878
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,912,141)	(3,694,442)	(7,685,926)	(3,991,484)

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Budgetary Comparison Schedule (Continued)
General Fund
Fiscal Year Ended June 30, 2010

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)				
Transfers In	1,900,000	3,000,000	4,017,502	1,017,502
Transfers Out	(85,324)	(470,663)	(572,889)	(102,226)
Appropriations from Prior Year Budgetary Fund Balance	6,783,246	10,722,550	10,722,550	-
Total Other Financing Sources (Uses)	8,597,922	13,251,887	14,167,163	915,276
Net Change in Fund Balance - Budgetary Basis	\$ 685,781	\$ 9,557,445	6,481,237	\$ (3,076,208)
Fund Balance, June 30, 2009			54,234,688	
Less: Appropriations from Beginning of Year Fund Balance			(10,722,550)	
Fund Balance - Budgetary Basis, June 30, 2010			\$ 49,993,375	

The Budgetary Comparison Schedule presents comparisons of the legally adopted budget and final budget (non-GAAP basis) with actual data on a budgetary basis. In the General Fund, accounting principles applied for purposes of developing data on the budgetary basis and timing differences is presented below:

Net Change in Fund Balance - Budgetary Basis	\$ 6,481,237
Adjustment:	
Appropriation from Beginning of Year Fund Balance	(10,722,550)
Net Change in Fund Balance	\$ (4,241,313)

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Budgetary Comparison Schedule
Pass Through Fund
Fiscal Year Ended June 30, 2010**

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local Sources				
Ad Valorem Taxes	\$ 87,131,144	\$ 87,131,144	\$ 87,131,144	\$ -
Sales and Use Tax (Including Vehicle)	66,247,703	66,247,703	66,247,703	-
Earnings on Investments	-	-	-	-
Other	-	-	-	-
State and Federal Sources				
Minimum Foundation Program	25,857,878	25,857,878	25,857,878	-
State Revenue Sharing	-	-	-	-
Other	-	-	-	-
Federal Sources	-	-	-	-
Total Revenues	179,236,725	179,236,725	179,236,725	-
Expenditures				
Current				
Instruction				
Regular Programs	-	-	-	-
Special Programs	-	-	-	-
Other Programs	-	-	-	-
Support				
Student Services	-	-	-	-
Instructional Staff Support	-	-	-	-
General Administration	4,590,256	4,590,256	4,590,256	-
School Administration	-	-	-	-
Business Services	-	-	-	-
Student Transportation Services	-	-	-	-
Central Services	-	-	-	-
Plant Services	-	-	-	-
Other	-	-	-	-
Food Services	-	-	-	-
Capital Outlay	-	-	-	-
Other	-	-	-	-
Debt Service				
Principal Retirement	-	-	-	-
Interest and Bank Charges	-	-	-	-
Total Expenditures	4,590,256	4,590,256	4,590,256	-
Excess of Revenues Over Expenditures	174,646,469	174,646,469	174,646,469	-

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Budgetary Comparison Schedule (Continued)
Pass Through Fund
Fiscal Year Ended June 30, 2010

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Transfers Out - Charters and RSD	(174,646,469)	(174,646,469)	(174,646,469)	-
Other	-	-	-	-
Total Other Financing Sources (Uses)	(174,646,469)	(174,646,469)	(174,646,469)	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, June 30, 2009	-	-	-	-
Fund Balance, June 30, 2010	\$ -	\$ -	\$ -	\$ -

Budget amounts for the Pass Through Fund were set equal to actual revenues and expenditures incurred since the fund has no formal budget, all revenues recognized are fully expended or transferred out to other funds and to the Recovery School District and to charter schools.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Budgetary Comparison Schedule
Federal Grant Fund
Fiscal Year Ended June 30, 2010**

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local Sources				
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ -
Sales and Use Tax (Including Vehicle)	-	-	-	-
Earnings on Investments	-	-	-	-
Other	-	-	-	-
State and Federal Sources				
Minimum Foundation Program	-	-	-	-
State Revenue Sharing	-	-	-	-
Other	36,491	36,491	36,491	-
Federal Sources	47,083,975	47,083,975	47,083,975	-
Total Revenues	47,120,466	47,120,466	47,120,466	-
Expenditures				
Current				
Instruction				
Regular Programs	1,527,222	1,527,222	1,527,222	-
Special Programs	3,355,371	3,355,371	3,355,371	-
Other Programs	25,235,134	25,235,134	25,235,134	-
Support				
Student Services	4,050,717	4,050,717	4,050,717	-
Instructional Staff Support	7,700,474	7,700,474	7,700,474	-
General Administration	-	-	-	-
School Administration	39,181	39,181	39,181	-
Business Services	19,448	19,448	19,448	-
Student Transportation Services	788,208	788,208	788,208	-
Central Services	98,183	98,183	98,183	-
Plant Services	216,542	216,542	216,542	-
Other	-	-	-	-
Food Services	37,066	37,066	37,066	-
Capital Outlay	464,481	464,481	464,481	-
Other	-	-	-	-
Debt Service				
Principal Retirement	-	-	-	-
Interest and Bank Charges	-	-	-	-
Total Expenditures	43,532,027	43,532,027	43,532,027	-
Excess of Revenues Over Expenditures	3,588,439	3,588,439	3,588,439	-

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Budgetary Comparison Schedule (Continued)
Federal Grant Fund
Fiscal Year Ended June 30, 2010

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Transfers Out - Charters and RSD	-	-	-	-
Other	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	3,588,439	3,588,439	3,588,439	-
Fund Balance, June 30, 2009	-	-	-	-
Fund Balance, June 30, 2010	\$ 3,588,439	\$ 3,588,439	\$ 3,588,439	\$ -

The budgeted amounts of revenues and expenditures for the Federal Grant Fund were set equal to actual due to differences in grant periods compared to the fiscal period as well as extensions of grant periods.

OTHER SUPPLEMENTARY INFORMATION

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Balance Sheet - By Fund Type
Non-Major Governmental Funds
June 30, 2010

	Special Revenue	Debt Service	Capital Project	Total
Assets				
Cash	\$ 248,660	\$ -	\$ 5,897,170	\$ 6,145,830
Investments	-	-	-	-
Due from Other Funds	4,324,078	-	26,862,279	31,186,357
Due from Other Governments	849,897	-	-	849,897
Inventory	25,165	-	-	25,165
Other Receivables	-	-	50,000	50,000
Total Assets	\$ 5,447,800	\$ -	\$ 32,809,449	\$ 38,257,249
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 323,405	\$ -	\$ 1,146,060	\$ 1,469,465
Retainage Payable	-	-	-	-
Salaries Payable	-	-	-	-
Due to Other Funds	682,634	-	8,677,389	9,360,023
Due to Other Governments	-	-	-	-
Deferred Revenues	422,255	-	-	422,255
Total Liabilities	1,428,294	-	9,823,449	11,251,743
Fund Balances				
Reserved for				
Inventory	25,165	-	-	25,165
Encumbrances	12,294	-	-	12,294
Debt Service	-	-	-	-
Capital Projects	-	-	22,986,000	22,986,000
Unreserved, Reported in				
Special Revenue	3,982,047	-	-	3,982,047
Capital Projects	-	-	-	-
Total Fund Balances	4,019,506	-	22,986,000	27,005,506
Total Liabilities and Fund Balances	\$ 5,447,800	\$ -	\$ 32,809,449	\$ 38,257,249

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance - By Fund Type
Non-Major Governmental Funds
Fiscal Year Ended June 30, 2010

	Special Revenue	Debt Service	Capital Project	Total
Revenues				
Local Sources				
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	1,107,120	-	1,107,120
Investment Earnings	-	-	-	-
Food Services	555,079	-	-	555,079
Donations	19,586	-	-	19,586
Other	111,252	-	18,039,414	18,150,666
State and Federal				
Minimum Foundation Program	87,792	-	-	87,792
Other	1,692,366	-	-	1,692,366
Federal Funds	3,736,920	-	3,000,000	6,736,920
Total Revenues	6,202,995	1,107,120	21,039,414	28,349,529
Expenditures				
Instruction				
Regular Education Programs	501,740	-	-	501,740
Special Education Programs	36,406	-	-	36,406
Other Education Programs	748,731	-	-	748,731
Support				
Student Services	129,534	-	-	129,534
Instructional Staff Services	275,216	-	-	275,216
General Administration	22,522	17,714	1,053,203	1,093,439
School Administration	-	-	-	-
Business Services	1,252,077	-	-	1,252,077
Student Transportation Services	12,306	-	-	12,306
Central Services	-	-	-	-
Plant Services	194,326	-	-	194,326
Food Services	3,630,562	-	-	3,630,562
Capital Outlay	-	-	6,328,858	6,328,858
Other	-	-	2,852,785	2,852,785
Debt Service				
Principal Retirement	-	932,023	-	932,023
Interest and Bank Charges	-	157,383	-	157,383
Payments to Escrow Agent	-	-	-	-
Bond Issuance Cost	-	-	-	-
Total Expenditures	6,803,420	1,107,120	10,234,846	18,145,386
Excess (Deficiency) of Revenues Over (Under) Expenditures	(600,425)	-	10,804,568	10,204,143

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance - By Fund Type (Continued)
Non-Major Governmental Funds
Fiscal Year Ended June 30, 2010

	Special Revenue	Debt Service	Capital Project	Total
Other Financing Sources and Uses				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Transfers Out - RSD	-	-	-	-
Proceeds from Refunding Bonds	-	-	-	-
Payments to Refunding Bond Escrow	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(600,425)	-	10,804,568	10,204,143
Fund Balance, June 30, 2009	4,619,931	-	12,181,432	16,801,363
Fund Balance, June 30, 2010	\$ 4,019,506	\$ -	\$ 22,986,000	\$ 27,005,506

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2010

	State and Local	Child Nutrition	Non-Recurring Operational	Total
Assets				
Cash	\$ -	\$ 248,660	\$ -	\$ 248,660
Due from Other Funds	577,126	972,426	2,774,526	4,324,078
Due from Other Governments	849,897	-	-	849,897
Inventory	-	25,165	-	25,165
Other Receivables	-	-	-	-
Total Assets	\$ 1,427,023	\$ 1,246,251	\$ 2,774,526	\$ 5,447,800
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 128,549	\$ 31,264	\$ 163,592	\$ 323,405
Due to Other Funds	682,634	-	-	682,634
Due to Other Governments	-	-	-	-
Deferred Revenues	422,255	-	-	422,255
Total Liabilities	1,233,438	31,264	163,592	1,428,294
Fund Balances				
Reserved for Inventory	-	25,165	-	25,165
Reserved for Encumbrances	6,685	5,609	-	12,294
Unreserved - Undesignated	186,900	1,184,213	2,610,934	3,982,047
Total Fund Balances	193,585	1,214,987	2,610,934	4,019,506
Total Liabilities and Fund Balances	\$ 1,427,023	\$ 1,246,251	\$ 2,774,526	\$ 5,447,800

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Special Revenue Funds
Fiscal Year Ended June 30, 2010**

	State and Local	Child Nutrition	Non-Recurring Operational	Total
Revenues				
Local Sources				
Food Services	\$ -	\$ 555,079	\$ -	\$ 555,079
Donations	19,586	-	-	19,586
Other	111,252	-	-	111,252
State and Federal				
Minimum Foundation Program	-	87,792	-	87,792
Other	1,692,366	-	-	1,692,366
Federal Funds	-	3,736,920	-	3,736,920
Total Revenues	1,823,204	4,379,791	-	6,202,995
Expenditures				
Instruction				
Regular Education Programs	501,740	-	-	501,740
Special Education Programs	36,406	-	-	36,406
Other Education Programs	748,731	-	-	748,731
Support				
Student Services	129,534	-	-	129,534
Instructional Staff Support	275,216	-	-	275,216
General Administration	-	-	22,522	22,522
Business Services	3,635	-	1,248,442	1,252,077
Student Transportation Services	12,306	-	-	12,306
Central Services	-	-	-	-
Plant Services	-	-	194,326	194,326
Food Services	-	3,630,562	-	3,630,562
Total Expenditures	1,707,568	3,630,562	1,465,290	6,803,420
Excess (Deficiency) of Revenues Over (Under) Expenditures	115,636	749,229	(1,465,290)	(600,425)
Other Financing Sources and Uses				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	115,636	749,229	(1,465,290)	(600,425)
Fund Balance, June 30, 2009	77,949	465,758	4,076,224	4,619,931
Fund Balance, June 30, 2010	\$ 193,585	\$ 1,214,987	\$ 2,610,934	\$ 4,019,506

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Combining Balance Sheet
 Non-Major Debt Service Funds
 June 30, 2010

	Motorola Capital Lease	EPA Loan	Short-Term Financing	Total
Assets				
Due from Other Funds	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ -	\$ -	\$ -	\$ -
Fund Balances				
Fund Balances				
Reserved for Debt Service	\$ -	\$ -	\$ -	\$ -
Total Fund Balances	\$ -	\$ -	\$ -	\$ -

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Debt Service Funds
Fiscal Year Ended June 30, 2010

	Motorola Capital Lease	EPA Loan	Short-Term Financing	Total
Revenues				
Local Sources				
Sales and Use Tax	\$ 693,889	\$ 312,090	\$ 101,141	\$ 1,107,120
Total Revenues	693,889	312,090	101,141	1,107,120
Expenditures				
Support				
General Administration	-	-	17,714	17,714
Debt Service				
Principal Retirement	656,629	275,394	-	932,023
Interest and Bank Charges	37,260	36,696	83,427	157,383
Total Expenditures	693,889	312,090	101,141	1,107,120
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Uses and Sources				
Transfer In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, June 30, 2009	-	-	-	-
Fund Balance, June 30, 2010	\$ -	\$ -	\$ -	\$ -

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Balance Sheet
Non-Major Capital Projects Funds
June 30, 2010

	GO Bonds Funded Capital Projects	Proposition D Funded Capital Projects	Harrah's Casino Capital Projects	CDBG Capital Projects	Total
Assets					
Cash	\$ 5,897,170	\$ -	\$ -	\$ -	\$ 5,897,170
Due from Other Funds	2,537,939	20,380,599	3,939,264	4,477	26,862,279
Other Receivables	-	50,000	-	-	50,000
Total Assets	\$ 8,435,109	\$ 20,430,599	\$ 3,939,264	\$ 4,477	\$ 32,809,449
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$ -	\$ 1,053,203	\$ 92,687	\$ 170	\$ 1,146,060
Due to Other Funds	1,384,056	-	-	7,293,333	8,677,389
Total Liabilities	1,384,056	1,053,203	92,687	7,293,503	9,823,449
Fund Balances					
Reserved for Capital Projects	7,051,053	19,377,396	3,846,577	(7,289,026)	22,986,000
Total Fund Balances	7,051,053	19,377,396	3,846,577	(7,289,026)	22,986,000
Total Liabilities and Fund Balances	\$ 8,435,109	\$ 20,430,599	\$ 3,939,264	\$ 4,477	\$ 32,809,449

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Capital Projects Funds
Fiscal Year Ended June 30, 2010**

	GO Bonds Funded Capital Projects	Proposition D Funded Capital Projects	Harrah's Casino Capital Projects	CDBG Capital Projects	Total
Revenues					
Local Sources					
Earnings on Investments	\$ -	\$ -	\$ -	\$ -	\$ -
Ad Valorem Taxes	-	-	-	-	-
Other Revenues	39,414	18,000,000	-	-	18,039,414
State and Federal					
Federal Funds	-	-	-	3,000,000	3,000,000
Total Revenues	39,414	18,000,000	-	3,000,000	21,039,414
Expenditures					
Support					
General Administration	-	1,053,203	-	-	1,053,203
Capital Outlay	-	164,475	2,945,804	3,218,579	6,328,858
Other Expenditures	-	2,695,999	156,786	-	2,852,785
Total Expenditures	-	3,913,677	3,102,590	3,218,579	10,234,846
Excess (Deficiency) of Revenues Over (Under) Expenditures	39,414	14,086,323	(3,102,590)	(218,579)	10,804,568
Other Financing Sources and Uses					
Transfers In	-	-	-	-	-
Transfer Out	-	-	-	-	-
Transfer Out - RSD	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balance	39,414	14,086,323	(3,102,590)	(218,579)	10,804,568
Fund Balance, June 30, 2009	7,011,639	5,291,073	6,949,167	(7,070,447)	12,181,432
Fund Balance, June 30, 2010	\$ 7,051,053	\$ 19,377,396	\$ 3,846,577	\$ (7,289,026)	\$ 22,986,000

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Statement of Net Assets
Proprietary Fund Type - Internal Service Funds
June 30, 2010

	Employee Health Insurance	Retiree Health Insurance	Workers' Compensation Insurance	E-Rate	Total Internal Service Funds
Assets					
Cash and Cash Equivalents	\$ -	\$ 3,201,470	\$ -	\$ -	\$ 3,201,470
Other Receivables	-	-	-	1,915,519	1,915,519
Due From Other Funds	7,388,361	-	9,707,712	-	17,096,073
Total Assets	7,388,361	3,201,470	9,707,712	1,915,519	22,213,062
Liabilities and Net Assets					
Liabilities					
Accounts Payable	15,447	60,341	437,478	40,622	553,888
Due to Other Funds	4,602,920	294,566	5,041,432	1,874,897	11,813,815
Liability Claims Payable	312,259	1,047,741	4,228,802	-	5,588,802
Deferred Revenue	2,457,735	1,798,822	-	-	4,256,557
Total Liabilities	7,388,361	3,201,470	9,707,712	1,915,519	22,213,062
Net Assets					
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Statement of Revenues, Expenses
and Changes in Net Assets
Proprietary Fund Type - Internal Service Funds
Fiscal Year Ended June 30, 2010

	Employee Health Insurance	Retiree Health Insurance	Workers' Compensation Insurance	E-Rate	Total Internal Service Funds
Operating Revenues					
Employer Contributions	\$ 2,267,803	\$ 1,689,962	\$ 2,139,660	\$ -	\$ 6,097,425
Retiree Contributions	-	2,379,599	-	-	2,379,599
Retiree State Contributions	-	228,840	-	-	228,840
Total Operating Revenues	2,267,803	4,298,401	2,139,660	-	8,705,864
Operating Expenses					
General Administrative	-	-	160,563	-	160,563
Central Services	2,267,803	4,298,401	2,841,770	85,324	9,493,298
Total Operating Expenses	2,267,803	4,298,401	3,002,333	85,324	9,553,861
Operating Loss	-	-	(862,673)	(85,324)	(947,997)
Nonoperating Revenues					
Transfers In	-	-	-	85,324	85,324
Transfers Out	-	-	-	-	-
Change in Net Assets	-	-	(862,673)	-	(862,673)
Net Assets at June 30, 2009	-	-	862,673	-	862,673
Net Assets at June 30, 2010	\$ -	\$ -	\$ -	\$ -	\$ -

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Statement of Cash Flows
Proprietary Fund Type - Internal Service Funds
Fiscal Year Ended June 30, 2010

	Employee Health Insurance	Retiree Health Insurance	Workers' Compensation Insurance	E-Rate	Total Internal Service Funds
Cash Flows from Operating Activities					
Cash Premiums Received	\$ 61,065	\$ 4,582,898	\$ 1,776,013	\$ (473,037)	\$ 5,946,939
Cash Paid in Claims and Benefits	(61,065)	(6,766,761)	(1,776,013)	387,713	(8,216,126)
Net Cash Used in Operating Activities	-	(2,183,863)	-	(85,324)	(2,269,187)
Cash Flows from Non-Capital Financing Activities					
Interfund Transfers	-	-	-	85,324	85,324
Net Cash Provided by Non-Capital Financing Activities	-	-	-	85,324	85,324
Net Decrease in Cash	-	(2,183,863)	-	-	(2,183,863)
Cash, Beginning of Year	-	5,385,333	-	-	5,385,333
Cash, End of Year	\$ -	\$ 3,201,470	\$ -	\$ -	\$ 3,201,470
Reconciliation of Operating Loss to Net Cash Used in Operating Activities					
Operating Loss	\$ -	\$ -	\$ (862,673)	\$ (85,324)	\$ (947,997)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:					
Changes in:					
Other Receivables	-	-	-	(473,036)	(473,036)
Due from Other Funds	(2,406,428)	-	(363,647)	-	(2,770,075)
Accounts Payable	14,935	44,209	113,930	40,622	213,696
Deferred Revenue	199,690	284,496	-	-	484,186
Due to Other Funds	2,191,803	(2,512,568)	1,585,222	432,414	1,696,871
Claims Payable/Self-Insured	-	-	(472,832)	-	(472,832)
Net Cash Used in Operating Activities	\$ -	\$ (2,183,863)	\$ -	\$ (85,324)	\$ (2,269,187)

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Combining Statement of Assets and Liabilities
 Fiduciary Fund Type - Agency Funds
 June 30, 2010

	Student Activity	Agency Total
Assets		
Cash and Cash Equivalents	\$ 295,964	\$ 295,964
Total Assets	\$ 295,964	\$ 295,964
Liabilities		
Accounts Payable	\$ 29,855	\$ 29,855
Due to Student Groups	266,109	266,109
Total Liabilities	\$ 295,964	\$ 295,964

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Statement of Changes in Assets and Liabilities
Fiduciary Fund Type - Agency Funds
Fiscal Year Ended June 30, 2010

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
Student Activity				
Assets				
Cash and Cash Equivalents	\$ 362,651	\$ 685,118	\$ 751,805	\$ 295,964
Total Assets	<u>\$ 362,651</u>	<u>\$ 685,118</u>	<u>\$ 751,805</u>	<u>\$ 295,964</u>
Liabilities				
Accounts Payable	\$ 19,127	\$ 10,728	\$ -	\$ 29,855
Due to Student Groups	343,524	674,390	751,805	266,109
Total Liabilities	<u>\$ 362,651</u>	<u>\$ 685,118</u>	<u>\$ 751,805</u>	<u>\$ 295,964</u>
Total Agency Funds				
Assets				
Cash and Cash Equivalents	\$ 362,651	\$ 685,118	\$ 751,805	\$ 295,964
Total Assets	<u>\$ 362,651</u>	<u>\$ 685,118</u>	<u>\$ 751,805</u>	<u>\$ 295,964</u>
Liabilities				
Accounts Payable	\$ 19,127	\$ 10,728	\$ -	\$ 29,855
Due to Student Groups	343,524	674,390	751,805	266,109
Total Liabilities	<u>\$ 362,651</u>	<u>\$ 685,118</u>	<u>\$ 751,805</u>	<u>\$ 295,964</u>

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Government-Wide Expenses by Function
For the Three Years Ended June 30, 2010**

(Unaudited)

Governmental Activities	2010	2009	2008
Instruction			
Regular Programs	\$ 10,955,611	\$ 15,339,620	\$ 15,013,887
Special Programs	4,338,820	4,780,036	12,906,348
Other Instructional Programs	21,222,882	32,285,405	23,233,762
Support Services			
Student Services	4,049,180	4,669,404	4,270,128
Instructional Staff Support	7,033,294	9,719,499	8,315,198
General Administration	6,889,093	4,373,740	12,005,137
School Administration Services	1,156,269	1,605,464	1,818,377
Business Services	2,561,389	4,846,629	6,789,536
Student Transportation Services	2,590,111	6,248,030	2,604,126
Central Services	2,760,877	1,768,624	10,302,868
Plant Services	5,179,617	6,527,991	9,394,957
Other	3,810,999	15,018,956	1,145,612
Food Services	3,667,628	2,683,713	2,467,019
Transfer to Charter Schools and RSD	174,646,469	145,821,265	140,461,840
Interest on Long-Term Debt	13,574,743	14,471,655	15,856,876
Total Governmental Activities	\$ 264,436,983	\$ 270,160,031	\$ 266,585,671

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Government-Wide Revenues
 For the Three Years Ended June 30, 2010

(Unaudited)

Governmental Activities	2010	2009	2008
Program Revenues			
Charges for Services	\$ 1,290,015	\$ 6,528,037	\$ 14,258,886
Operating Grants and Contributions	60,375,583	60,828,675	50,169,814
Capital Grants and Contributions	5,849,319	7,272,874	2,651,390
General Revenues			
Ad Valorem Taxes	110,517,622	79,898,445	89,527,587
Sales and Use Taxes	84,919,257	79,354,939	87,495,866
State Revenue Sharing	1,625,992	1,213,677	2,585,155
Grants and Contributions Not Restricted to Specific Programs	35,520,337	36,090,262	32,998,333
Interest and Investment Earnings	1,418,916	4,900,223	9,532,467
Debt Forgiveness	-	-	34,413,084
Insurance Proceeds	18,000,000	-	-
Miscellaneous	92,593	7,017,884	(106,035)
Total Governmental Activities	\$ 319,609,634	\$ 283,105,016	\$ 323,526,547

Statistical Schedule III

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Governmental Fund Expenditures by Function
 Last Ten Fiscal Years
 June 30, 2010

(Unaudited)

Governmental Activities	2009 - 2010	2008 - 2009	2007 - 2008	2006 - 2007	2005 - 2006
Instructional					
Regular	\$ 11,741,153	\$ 12,293,081	\$ 13,135,211	\$ 14,704,750	\$ 37,609,376
Special	2,224,169	2,297,469	2,248,217	1,644,518	8,751,997
Other Instructional Programs	1,485,948	1,682,444	1,896,083	953,387	4,031,308
Support Services					
Student Services	1,060,801	1,937,578	2,441,699	1,701,780	4,756,256
Instructional Staff	1,127,846	1,929,356	2,230,574	1,057,502	1,503,732
General Administration	3,000,371	3,249,389	12,816,283	7,130,149	5,193,536
School Administration	1,457,434	1,593,290	1,794,791	1,434,032	4,320,659
Business Administration					
Business Services	2,041,587	2,181,043	2,706,386	8,120,944	17,073,174
Maintenance of Plant	5,361,358	5,869,546	8,917,945	13,317,687	17,602,740
Student Transportation	2,551,994	2,837,647	2,567,773	4,908,926	1,842,567
Central Services	3,475,355	1,718,313	10,136,366	8,265,779	2,189,754
Food Services	-	-	-	-	-
Capital Outlay	-	-	61	41,782	-
Other	370,000	5,911,773	-	7,619	771,580
Debt Service	-	-	-	-	3,624,851
Total	\$ 35,898,016	\$ 43,500,929	\$ 60,891,389	\$ 63,288,855	\$ 109,271,530

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Governmental Fund Expenditures by Function (Continued)
 Last Ten Fiscal Years
 June 30, 2010

(Unaudited)

Governmental Activities	2004 - 2005	2003 - 2004	2002 - 2003	2001 - 2002	2000 - 2001
Instructional					
Regular	\$ 165,776,902	\$ 164,822,376	\$ 166,360,842	\$ 180,145,279	\$ 183,466,272
Special	53,973,784	53,460,499	52,522,261	53,170,305	54,123,729
Other Instructional Programs	7,104,077	5,085,898	4,884,913	3,187,129	1,756,491
Support Services					
Pupil	31,991,866	32,144,739	25,462,287	23,080,876	19,103,994
Instructional Staff	12,493,798	12,742,945	12,297,344	12,781,215	11,091,657
General Administration	11,867,615	9,909,996	6,734,137	2,411,736	4,911,423
School Administration	22,885,725	22,700,785	21,886,416	24,304,930	20,668,888
Business Administration					
Business Services	9,401,343	13,372,082	5,144,277	6,971,371	4,299,055
Maintenance of Plant	46,288,702	47,811,446	54,593,365	50,189,705	42,615,493
Pupil Transportation	17,033,284	17,927,731	17,544,713	17,740,299	18,512,315
Central Services	19,227,657	16,778,330	15,021,260	24,944,125	23,447,465
Food Services	130,967	150,104	68,324	45,181	6,014
Capital Outlay	630,225	515,854	588,018	558,059	658,350
Other	39,660	14,180	272,177	-	-
Debt Service	1,070,912	716,876	930,883	-	-
Total	\$ 399,916,517	\$ 398,153,841	\$ 384,311,217	\$ 399,530,210	\$ 384,661,146



**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Orleans Parish School Board
New Orleans, Louisiana

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Orleans Parish School Board (School Board) as of and for the year ended June 30, 2010, which collectively comprise the Orleans Parish School Board's basic financial statements and have issued our report thereon dated December 31, 2010. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over financial reporting.

A deficiency in control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the School Board's financial statements will not be prevented, or detected and corrected on a timely basis.

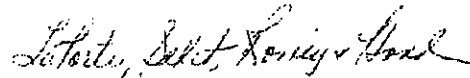
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting [2010-2]. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2010-1 and 2010-3 through 2010-5.

The School Board's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the School Board's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of the finance committee, management, the Louisiana Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

December 31, 2010



**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Orleans Parish School Board
New Orleans, Louisiana

Compliance

We have audited the compliance of Orleans Parish School Board (School Board) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2010. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

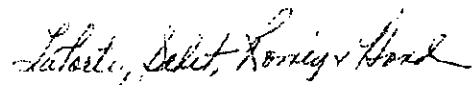
Internal Control Over Compliance

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audits, we considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of control deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a *material weakness*, as defined above.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

December 31, 2010

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010**

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Pass-Through Grantor No.	OPSB Expenditures	Charter Pass-Through Expenditures
United States Department of Homeland Security (FEMA) Passed through the Louisiana Department of Education FEMA Disaster Relief Program	97 006	-	\$ 8,849,319	\$ -
Total United States Department of Homeland Security			8,849,319	-
United States Department of Housing and Urban Development Passed through the Louisiana Office of Community Development Community Development Block Grant	14 228	-	3,000,000	-
Total United States Department of Housing and Urban Development			3,000,000	-
United States Department of Agriculture Passed Through Louisiana Department of Agriculture Food Distribution Program	10 950	-	216,472	-
Passed Through Louisiana Department of Education School Breakfast Program	10 563	-	-	-
National School Lunch Program	10 535	-	-	-
National School Lunch Program	10 555	-	3,520,448	-
Total United States Department of Agriculture			3,736,920	-
United States Department of Defense Amnecorps - Hippy	N/A	-	-	-
ROTC	12 998	-	157,822	-
Total United States Department of Defense			157,822	-
United States Department of Education Passed Through Department of Education Improving America's Schools Act (IASA)/No Child Left Behind Act (NCLB) Title I Grants to Local Education Agencies	84 010A	28-09-T1-36 28-10-T1-36	19,215,317	6,428,805
Title I Grants to Local Education Agencies - ARRA Funds	84 389	-	167,445	-
Reading First	84 357A	28-08-RF-36 28-07-RF-36	353,093	-
Title II English Language Acquisition	84 365A	28-10-EO-36 28-10-EO-36	86,726	-
Balancing Education Through Technology	84 319X	28-09-RF-36 28-09-49-36 28-08-49-36 28-09-49-36 28-10-49-36 28-09-49-36C	122,430	-
Title II, Part A Teacher and Principal Training & Recruiting	84 367A	28-08-50-36 28-10-60-36	5,292,901	999,351
Title IV (Safe and Drug-Free Schools - State Grant)	84 186A	28-08-70-36 28-10-70-36	246,068	88,767
Innovative Education Program Strategies - Title V	84 298A	28-09-80-36	545,290	320,593
Education for Homeless Children and Youth - Title X	84 196A	28-06-H1-36 28-07-H1-36 28-08-H1-36 28-09-H1-36	119,994	-
Education for Homeless Children and Youth - Title X - ARRA Funds	84 387	-	27,258	-
Twenty-First Century Community Learning Centers	84 287C	28-08-CC-36	404,717	353,442
Individuals with Disabilities and Exceptionalities Act (IDEA) IDEA Part B	84 027A	28-09-B1-36 28-10-B1-36	5,145,557	-
IDEA Part B - ARRA Funds	84 391	-	1,543,854	-
Preschool	84 173A	26-09-P1-36 28-10-P1-36	135,881	-
Preschool - ARRA Funds	84 392	-	87,354	-
Vocational Education				
Basic Grants to States - Carl Perkins Grant	84 248	28-08-02-36 28-10-02-36	581,720	-
Restart	94 938A	28-06-AR-36	(1,818)	1,776,365
Hurricane Katrina Foreign Contributions	94 943C	28-07-FC-36	23,992	967,724
Total United States Department of Education			36,067,779	10,934,517
United States Department of Health and Human Services Passed through the Louisiana Department of Education Temporary Assistance for Needy Families (TANF) After School For All	93 558	-	314,723	-
Total United States Department of Health and Human Services			314,723	-
Total Expenditures of Federal Awards			51,116,883	10,934,517
			\$ 62,051,390	

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Orleans Parish School Board and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Note 2. Reconciliation to the Basic Financial Statements

The expenditures listed in the accompanying schedule are reported in the following funds in either the governmental funds statement of revenues, expenditures and changes in fund balances (basic statement) or the non-major special revenue funds combining statement of revenues, expenditures and changes in fund balance, (supplementary information) of the Orleans Parish School Board's June 30, 2010, financial statements.

General Fund	\$ 157,922
Hurricane Katrina Restoration Fund	8,849,319
Federal Grant Fund	46,307,019
CDBG Capital Projects Fund	3,000,000
Child Nutrition Fund	3,736,920
Financial Statement Total	<u>\$ 62,051,180</u>
 Schedule of Expenditures of Federal Awards Total	 <u>\$ 62,051,180</u>

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Section 1

Financial Statements

1.	Type of auditors' report	Unqualified
2.	Internal control over financial reporting	
a.	Material weaknesses identified	None
b.	Significant deficiencies identified not considered to be material weaknesses	Yes
c.	Noncompliance material to the financial statements noted	None

Federal Awards

1.	Internal control over major programs	
a.	Material weaknesses identified	None
b.	Significant deficiencies identified not considered to be material weaknesses	None
2.	Type of auditors' report issued on compliance for each major program	Unqualified
3.	Audit findings disclosed that are required in accordance with OMB A-133, Section 510(a)	No
4.	Identification of major programs	
	84.010	Title I Grant to Local Education Agencies
	84.027A	IDEA Part B
	14.228	Community Development Block Grant
	84.391	IDEA Part B-ARRA Funds
	84.048	Basic Grants to States – Carl Perkins Grant
	84.389	Title I Grant to Local Education Agencies – ARRA Funds
5.	Dollar threshold used to distinguish between Type A and B programs	\$1,533,500
6.	Auditee qualified as a low - risk auditee under OMB A-133 Section 530	No

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2010

Section 2

Financial Statement Findings

2010-1 Bid Law

Issue: An instance of noncompliance with public bid law was noted during testing of disbursement transactions. One vendor received multiple disbursements during the fiscal year that totaled more than the dollar threshold for bid law requirements pertaining to materials and supplies.

Criteria: State bid law requires purchases of materials and supplies totaling \$30,000 or more must be bid, with a few exceptions.

Effect: The risk exists that the School Board will not be in compliance with public bid law requirements.

Cause: There is currently no process to review if vendors that receive multiple disbursements through out the fiscal year need to meet public bid law requirements.

Recommendation: Management and the Purchasing Director should evaluate anticipated purchases that will be made from its various vendors throughout the fiscal year that may subject the School Board to the State bid laws.

Management's Response: The Purchasing Department has implemented a procedure to monitor vendor activity to prevent purchases exceeding the competitive procurement threshold.

2010-2 Accounts Receivable, Revenue and Deferred Revenue Transactions

Issue: Currently there is a lack of control surrounding classification and year end entries for the above noted transaction cycles.

Criteria: All financial statement accounts should be reconciled and reviewed prior to the audit.

Effect: Material misstatements in the above noted transaction cycles could occur.

Cause: There is currently no process to ensure that all financial statement accounts are properly classified and year end entries are made.

Recommendation: Management should review the above noted transaction cycles at year end for all year end entries and proper classification.

Management's Response: Management is currently working to improve the coordination between accounts payable and accounting to ensure that the revenue recognition entries are processed in the correct and proper sequence and that the entries are fully complete and totally accurate.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2010**

2010-3 Advance Payment to Vendor

Issue: During the course of our audit, it was brought to our attention that the School Board had remitted payment to a vendor in advance of the services being completely rendered.

Criteria: Article VII, Section 14 of the State Constitution prohibits governmental entities from advancing assets to entities.

Effect: Violation of Article VII, Section 14 of the State Constitution.

Cause: Due to the length in time between when the vendor would invoice the School Board and when the School Board would remit payment, the vendor requested that payment be provided in advance of the services to be performed.

Recommendation: Management should adhere to its policies and procedures regarding payments to vendors. Payments should be made only upon receipt of sufficient documentation that the goods or services ordered by the School Board have been properly delivered, accepted, and approved by the appropriate level of management.

Management's Response: Management is aware of the requirement and will ensure that no advance payments will be made until services and/or goods have been received.

2010-4 Millage Renewal

Issue: The Tax Review Officer of the Legislative Auditor's Office has asserted that the OPSB failed to comply with the notice requirements for rolling forward or increasing millage rates as mandated in Article 7, Section 23(C) of the Louisiana Constitution and R.S. 47:1705(B) in that it only published one notification of the millage roll forward prior to the established public hearing date. The School Board disputes the assertion of the Legislative Auditor's Office, and believes that it has complied with the provisions of Article 7, Section 23(C) and with R.S. 47:1705(B).

Criteria: The provisions of Article 7, Section 23(C) and R.S. 47:1705(B) require that two separate notifications, no less than 30 days before the established public hearing date, be published in the official journal of the taxing authority.

Notifications were published by the OPSB on July 9, 2009 and September 10, 2009. However, the Legislative Auditor's Office contends that OPSB failed to comply with the provisions of Article 8, Section 23(C) and R.S. 47:1705(B) in that both notifications should have been published before July 15, 2009.

Effect: The risk exists that the School Board may have increased its millage rate without fully complying with applicable laws and regulations.

Recommendation: Since the School Board disputes the assertion made by the Legislative Auditor's Office, we recommend that the School Board obtain an Attorney General's opinion as soon as possible in order to resolve this issue.

Management's Response: The School Board has authorized its General Counsel to seek an Attorney General's opinion on this issue.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2010**

2010-5 Credit Card Usage

Issue: During the fiscal year ended June 30, 2010, an employee of the School Board made a purchase that was personal in nature with the School Board credit card that had been issued to her. The individual had reported the personal usage of the credit card to management and repaid the amount within 30 days of the transaction.

Criteria: Article 7, Section 14(A) of the Louisiana Constitution prohibits the personal use off funds, property, or things of value of a governmental entity.

Effect: The above transaction results in an instance of noncompliance with Article 7, Section 14(A) of the Louisiana Constitution.

Cause: The individual was aware that personal use of the credit card was prohibited; however, the individual considered the transaction to be an emergency and did not have access to personal funds or other means of payment at the time of the transaction.

Recommendation: The School Board should restrict access to credit cards. Employees designated to utilize a School Board credit card should periodically review the School Board's credit card policy to ensure that they fully understand the compliance requirements for usage of the card as well as the consequences for failure to comply.

Management's Response: Upon knowledge of the incident, the School Board immediately reported it to the District Attorney's Office and the State Legislative Auditor. After reviewing the facts, including employee's self-reporting, payment in full of the charges prior to any request for payment, timeliness of the remedial acts, and the adequate administrative actions taken by the Administration and the School Board, the District Attorney decided to take no action.

The School Board has taken action to control the number of individuals authorized to have a credit card. Currently, only the Superintendent and the Chief Financial Officer are authorized to have credit cards. It is anticipated that a third card will be obtained for the Travel Coordinator.

Finally, the School Board has revised its procedures to provide for interim reviews of credit card transactions during the statement cycle and to report any unusual transactions to the General Counsel.

Section 3

Federal Awards Findings and Questioned Costs

None

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Summary Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2010**

2009-1 Adding New Vendors and Review of Vendor Listing

Condition and Recommendation: There are currently no processes to address the approval of new vendors and potential related parties. Prior to any new vendor being added to the School Board's purchasing system, the appropriate level of management should review and approve the potential vendor to ensure that the vendor is reputable and in good standing with any federal and/or state oversight agencies, and determine whether the School Board would have any conflicts of interest in using the vendor.

Current Status: The Director of Purchasing is performing the required reviews.

2009-2 Personnel and Payroll Transactions

Condition and Recommendation: A regular review of personnel files was not performed periodically. Management should perform a review of all personnel files to ensure that all required documentation is properly maintained in each employee's personnel file.

Current Status: A comprehensive review of the personnel files has been completed.

2009-3 Construction in Progress

Condition and Recommendation: There was no employee designated to review purchases and the fixed asset schedule on a regular basis to ensure that only School Board assets are recorded. The School Board should assign the function of periodically reviewing the items included in Construction in Progress and listed in the fixed asset subledger to ensure that these items are truly assets of the School Board. In addition, this individual should review expenditures made by the School Board on a monthly basis to ensure completeness of the fixed asset listing.

Current Status: Construction in Progress is being monitored periodically.

ORLEANS PARISH SCHOOL BOARD

CHARTER SCHOOL FINDINGS

ALGIERS CHARTER SCHOOLS ASSOCIATION

FINDINGS RELATED TO THE FINANCIAL STATEMENTS

2010-1 Fixed Assets

During the course of our audit, we noted that ACSA did not properly maintain records of fixed assets, including funding sources, dates acquired, locations and acquisition cost, as required by Louisiana statutes.

Recommendation:

We recommend that ACSA develop and implement appropriate internal controls to ensure that records of fixed assets are maintained as required by statute and established policies and procedures.

Management's Corrective Action Plan:

Fixed assets purchased in the 2009-2010 fiscal year have been properly maintained. Complete physical inventories of previously stated fixed assets have been conducted and records are in the process of being updated including funding sources, dates acquired, location and acquisition cost. Internal controls have been developed and will be fully implemented during the 2010-2011 fiscal year. This includes but is not limited to bi-annual inventory, implementation of asset tracking software and complete fixed asset tagging.

2010-2 School Activity Accounts

During the course of our audit, we noted that there was insufficient oversight of the school activity accounts to ensure that established policies and procedures were being followed, resulting in an increased likelihood of a misstatement of the financial statements that would not be detected by ACSA personnel.

Recommendation:

We recommend that ACSA take an active role in monitoring the school accounts to ensure compliance with laws, regulations, and established policies and procedures.

Management's Corrective Action Plan:

During the 2009-2010 fiscal year a revised school accounting handbook was issued to all principals, assistant principals and bookkeepers. This manual was developed to establish uniform policies and procedures for all Algiers Charter Schools as required by the Louisiana Legislative Auditor. The duties performed in providing proper management and security may be delegated to the degree desired by the school principal, but the responsibility remains with the principal. On a monthly basis principals will have to provide the central office a copy of bank statement, current cash balance report, reconciliation and a detailed adjustment journal.

2010-3 Food Service Accounts

During the course of our audit, we noted that the food service cash accounts are not reconciled monthly to ensure that deposits agree with daily deposit reports provided by the food service management company. As a result there is the risk ACSA would not be able to detect misstatements in a timely manner.

ALGIERS CHARTER SCHOOLS ASSOCIATION (Continued)

2010-3 Food Service Accounts (Continued)

During the course of our audit, we noted that there were discrepancies between the collection report provided by the food service management company (Chartwells) and the food service bank account at Edna Karr High School. Specifically, deposits of \$45,592 per the management company reports did not appear to be deposited into the school's bank account. We were unable to determine the cause for these discrepancies and immediately made management aware of our findings. On September 30, 2010 we attended a finance committee meeting of ACSA and presented our findings to the finance committee members that were present at the meeting. On October 7, 2010 we were notified by management of ACSA that after further investigation, the Chartwells food service manager based at Edna Karr Senior High had admitted to misappropriating the funds. We were also informed that the appropriate law enforcement agencies had been notified resulting in the arrest of the food service manager.

Recommendation:

We recommend that ACSA increase internal controls over the food service accounts, including but not limited to cash receipts. Also, we recommend that ACSA maintain copies of the daily deposit reports produced by the food service management company and reconcile the food service cash accounts monthly.

Management's Corrective Action Plan:

Food service tracking allows for students not receiving free or reduced lunch to eat meals without paying thereby generating an accrual for collection. These funds are not adequately collected creating a variance between the food service statement and the food service bank account. All deficits that occur within the USDA food service program are funded through the general fund. The misappropriated funds at Edna Karr were reimbursed by the food service contractor.

The ACSA has worked with the food service vendor to establish additional collection procedures as well as implement monthly invoice reconciliation compared to food service bank account reconciliation. Cash handling procedures have been modified and all employees have been trained on these procedures. Food service contractor will provide copies of the daily sales report with the validated deposit tickets to ACSA for verification. Additionally, bank statements for all food service accounts will be reconciled on a monthly basis.

2010-4 Check Signing

ACSA's internal policies and procedures require that all checks \$25,000 and over be signed by two authorized signatures on the account. During the audit, we noted a number of instances where that policy was not followed, resulting in an increased likelihood of a misstatement of the financial statements that would not be detected by ACSA personnel.

Recommendation:

We recommend that ACSA take the appropriate steps to ensure that check signing policies and procedures are followed as written.

Management's Corrective Action Plan:

During the 2009-2010 fiscal year there was turnover in the Controller and Chief Financial Officer position. Of the eight (8) instances noted, three (3) were by the previous Chief Financial Officer and four (4) were during the interim transition period. The ACSA will follow all internal control policies and procedures to ensure that all checks over \$25,000 are signed by two authorized signatures. Additionally, during the check generation process all checks over the \$25,000 threshold will be separated from the remaining checks by the assistant controller and the accounts payable clerk.

FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

There were no findings required to be reported in this section.

**FRENCH AND MONTESSORI EDUCATION, INC.
D/B/A AUDUBON CHARTER SCHOOL**

Findings Related to the Financial Statements

I. Compliance and Internal Control Over Financial Reporting

None.

II. Management Letter Comment

Periodic Accounts Payable Reconciliation

<i>Criteria:</i>	We believe the School would benefit from a periodic reconciliation of accounts payable to facilitate the location of errors and allow for timely follow-up on disputed items.
<i>Condition:</i>	The accounts payable subsidiary ledger is not currently reconciled to the general ledger control account.
<i>Cause:</i>	The cause of this condition appears to be an oversight by management.
<i>Recommendation:</i>	We recommend the School perform periodic reconciliations of accounts payable.
<i>Management's Response:</i>	Management is aware of the problem with the accounts payable subsidiary ledger and implemented procedures to reconcile accounts payable.

Findings and Questioned Costs Related to Major Federal Award Programs

None.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC.
D/B/A BENJAMIN FRANKLIN HIGH SCHOOL**

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statement

Internal Control Over Financial Reporting

10-01 Financial Reporting and Accounting

Recommendation - The School should implement internal control procedures to ensure that financial statements are prepared on a monthly basis, that includes all monthly activity including the student activities fees, accrued revenues, and accrued expenses, and that all reconciliations are prepared on monthly basis, including bank reconciliations.

Management's Corrective Action - The School has completed implementation of the new general ledger database which includes account numbers that meet the reporting requirements of the Local and State Education Authorities. As a result, the School has provided complete and accurate financial statements to the Board on a timely basis with the start of the new fiscal year.

10-02 Grant Receivable

Recommendation - The School should record the grant receivable balance from the reimbursement request forms. The grant receivable account should be reconciled on a monthly basis and the reconciliation should be documented as approved by management.

Management's Corrective Action - The School has implemented procedures to ensure the grants receivable account is reconciled on a timely basis. The expenses related to the \$38,000 were incurred during the payroll date of June 18, 2010. The accrual related to the grant reimbursement requests was a known journal entry at the time the trial balance was provided to the audit firm. The reimbursement requests and the related entry were completed and provided to the firm as one of the final procedures to be completed during fiscal year end closing procedures.

Section II - Federal Award Findings and Questioned Costs

Internal Control

Financial statement findings related to internal control 10-01 and 10-02 are also considered findings related to federal awards internal control.

Compliance

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2010.

Section III - Management Letter

A management letter was not issued in connection with the audit year ended June 30, 2010.

THE EINSTEIN GROUP, INC.

Internal Control Over Financial Reporting

None.

Compliance and Other Matters

None.

HYNES CHARTER SCHOOL CORPORATION

Section II - Internal Control and Compliance - Governmental Auditing Standards

No findings or questioned costs for the year ended June 30, 2010.

Section III - Internal Control and Compliance - Major Federal Programs

No findings or questioned costs for the year ended June 30, 2010.

Section II - Internal Control and Compliance - Governmental Auditing Standards

No prior year findings or questioned costs.

LAKE FOREST ELEMENTARY CHARTER SCHOOL

Section II - Internal Control and Compliance - Governmental Auditing Standards

No findings or questioned costs for the year ended June 30, 2010.

Section III - Internal Control and Compliance - Major Federal Programs

No findings or questioned costs for the year ended June 30, 2010.

Section II - Internal Control and Compliance - Governmental Auditing Standards

No prior year findings or questioned costs for the year ended June 30, 2010.

**ADVOCATES FOR ARTS-BASED EDUCATION CORPORATION
D/B/A LUSHER CHARTER SCHOOL**

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were noted during the audit of financial statements for the fiscal year ended June 30, 2010.

No significant deficiencies were noted during the audit of the financial statements for the fiscal year ended June 30, 2010.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the fiscal year ended June 30, 2010.

Section II - Internal Control And Compliance Material to Federal Awards

No findings or questioned costs were reported during the audit of the financial statements for the year ended June 30, 2010.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2010.

**ADVOCATES FOR INNOVATIVE SCHOOLS, INC.
(D/B/A ROBER RUSSA MOTON CHARTER SCHOOL)**

Section II - Financial Statement Findings

No matters reported.

PRIESTLEY SCHOOL OF ARCHITECTURE AND CONSTRUCTION

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were noted during the audit of financial statements for the year ended June 30, 2010.

No reportable conditions were noted during the audit of the financial statements for the year ended June 30, 2010.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the fiscal year ended June 30, 2010.

Section II - Internal Control and Compliance Material to Federal Awards

No findings or questioned costs were reported during the audit of the financial statements for the year ended June 30, 2010.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2010.

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.

FINDINGS- FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCY

New Orleans Charter Science and Mathematics Academy

2010-1 Segregation of Duties

Condition: Due to the size of the administrative staff, the organization is too small to effect a meaningful segregation of duties. All authorizations and approval of cash disbursements are performed by the Principal and all accounting functions are primarily performed by the Business Manager.

Criteria: The organization must effect a meaningful segregation of duties.

Effect: The organization is unable to assure that its assets are properly safeguarded.

Recommendation: We recommend the Board of Directors continue its significant involvement in the financial offers of the Charter School through review of monthly financial reports and provide review of the Charter School's day to day financial activities.

COMPLIANCE AND OTHER MATTERS

New Orleans Charter Science and Mathematics Academy

2010-2 Instructional Staff

Condition: Five of the thirteen teachers were not certified by the State Board of Elementary and Secondary Education.

Criteria: At least 75% of the instructional staff must be certified by the State Board of Elementary and Secondary Education or the French Ministry of Education.

Recommendation: The Principal should review the certificates of all teachers prior to hiring in order to satisfy the compliance requirements relative to its instructional staff.

Response: See Corrective Action Plan.

2010-3 Student Admission

Condition: 16 student files out of 161 were examined for proper documentation relative to school's admission requirements. 1 student files out of 16 reviewed lacked the necessary documents to support residency within Orleans Parish.

Criteria: The charter agreement requires all students to be residents of Orleans Parish.

Effect: The Corporation is not in compliance with its Charter.

Recommendation: During the registration period, the Corporation should obtain copies of two proofs of residency items to comply with the Charter Agreement.

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC. (Continued)

2010-3 Student Admission (Continued)

Response: See Corrective Action Plan.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

SIGNIFICANT DEFICIENCY

New Orleans Charter Science and Mathematics Academy

ALL PROGRAMS

2010-1 Segregation of Duties

Condition: Due to the size of the administrative staff, the organization is too small to effect a meaningful segregation of duties. All authorizations and approval of cash disbursements are performed by the Principal and all accounting functions are primarily performed by the Business Manager.

Criteria: The organization must effect a meaningful segregation of duties.

Effect: The organization is unable to assure that its assets are properly safeguarded.

Recommendation: We recommend the Board of Directors continue its significant involvement in the financial offers of the Charter School through review of monthly financial reports and provide review of the Charter School's day to day financial activities.

STATUS OF PRIOR YEAR AUDIT FINDINGS

The status of the prior year audit findings are as follows:

	<u>Resolved</u>	<u>Unresolved</u>	<u>Current Year Finding No.</u>
<u>New Orleans Science and Mathematics Academy</u>			
<u>Internal Control Over Financial Reporting</u>			
Significant Deficiency			
2009-1 Segregation of Duties		X	2010-1
<u>Compliance and Other Matters</u>			
2009-2 Instructional Staff		X	2010-2
2009-3 Pension Plan	X (Note)		
<u>New Orleans Science and Mathematics High School</u>			
2009-4 Student Admission	X		
2009-5 Instructional Staff	X		

Note: A legal opinion was rendered that the New Orleans Science and Mathematics Academy was not subject to ERISA. Effective July 1, 2010, the charter school was transferred to another non-profit organization.

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC. (Continued)

CORRECTIVE ACTION PLAN

2010-1 Segregation of Duties

Response: New Orleans Charter Science & Math Academy hired an additional finance staff member to ensure proper segregation of duties in accordance with its charter.

2010-2 Instructional Staff

Response: The Principal will actively seek employees who are certified and highly qualified in their subject areas. The school will support teachers seeking certification through tuition reimbursements and alternative certification programs.

2010-3 Student Admission

Response: The school will continue the procedure of requesting that the parent or guardian submit two proof of Orleans Parish residency as part of student registration.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.

No findings or questioned costs for the year ended June 30, 2010.

Section II - Internal Control and Compliance
Governmental Auditing Standards

Internal Control over Financial Reporting

None noted.

Section II - Internal Control and Compliance OMB Circular A-133

Reference number: 2009-1

Federal Program and Specific Award Identification:

Federal Program: Title I - Grants to Local Educational Agencies

CFDA Numbers: 84.010A

Federal Program: Title II - Teacher & Principal Training & Recruitment Fund

CFDA Numbers: 84.367

Condition: In one instance, submission for one invoice was made for both Title I and Title II. In another instance, one invoice was submitted twice under the Title I grant.

Current status: Resolved. The School has been performing and reviewing account reconciliations before grant submission.



**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Orleans Parish School Board
New Orleans, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Orleans Parish School Board and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Orleans Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings that relate to the accompanying schedules of supplemental information are as follows:

Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

- Total General Fund Instructional Expenditures,
- Total General Fund Equipment Expenditures,
- Total Local Taxation Revenue,
- Total Local Earnings on Investment in Real Property,
- Total State Revenue in Lieu of Taxes,
- Nonpublic Textbook Revenue, and
- Nonpublic Transportation Revenue.

No exceptions noted.

Schedule 2 - Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D. or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1, 2009.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2009 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's education level was properly classified on the schedule.

No exceptions noted.

Schedule 3 - Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

No exceptions noted.

Schedule 4 - Experience of Public Principals, Assistant Principals and Full Time Classroom Teachers

This schedule includes the number of years of experience in teaching for principals, assistant principals and full time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2009 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

No exceptions noted.

Schedule 5 - Public School Staff Data

This schedule includes average classroom teachers' salary using full time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.
8. We recalculated the average salaries and full-time equivalents reported in the schedule.

No exceptions noted.

Schedule 6 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students.

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1, 2009 roll books for those classes and determined if the class was properly classified on the schedule.

No exceptions noted.

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory.

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Orleans Parish School Board.

No exceptions noted.

Schedule 8 - Graduation Exit Exam

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic and Unsatisfactory. This schedule includes one year of data.

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Orleans Parish School Board.

No exceptions noted.

Schedule 9 - iLEAP Test Results

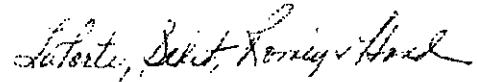
This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, and 7 for each district. The summary score reported is the Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the state. This schedule includes one year of data.

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Orleans Parish School Board.

No exceptions noted.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Orleans Parish School Board I, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

December 31, 2010

**SCHEDULES REQUIRED BY LOUISIANA STATE LAW
(R.S. 24:514 - PERFORMANCE AND STATISTICAL DATA)**

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
General Fund Instructional and Support Expenditures
And Certain Local Revenue Sources
For the Year Ended June 30, 2010**

Schedule 1

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures

Teacher and Student Interaction Activities

Classroom Teacher Salaries	\$ 8,768,042
Other Instructional Staff Activities	1,104,613
Employee Benefits	3,759,067
Purchased Professional and Technical Services	-
Instructional Materials and Supplies	12,347
Instructional Equipment	20,176

Total Teacher and Student Interaction Activities **\$ 13,664,245**

Other Instructional Activities 1,562,858

Pupil Support Activities 1,937,578
Less: Equipment for Pupil Support Activities -
Net Pupil Support Activities 1,937,578

Instructional Staff Services 1,929,357
Less: Equipment for Instructional Staff Services -
Net Instructional Staff Services 1,929,357

School Administration 1,593,590
Less: Equipment for School Administration -
Net School Administration 1,593,590

Total General Fund Instructional Expenditures **\$ 20,687,628**

Total General Fund Equipment Expenditures **\$ 20,176**

Certain Local Revenue Sources

Local Taxation Revenue

Constitutional Ad Valorem Taxes	\$ 41,792,917
Renewable Ad Valorem Tax	26,350,507
Debt Service Ad Valorem Tax	11,785,021
Up to 1% of Collections by the Sheriff on Taxes	
Other than School Taxes	(1,197,879)
Sales and Use Taxes	79,354,939

Total Local Taxation Revenue **\$ 158,085,505**

State Revenue Sharing **\$ 1,213,677**

Nonpublic Textbook Revenue \$ 390,324

Nonpublic Transportation Revenue \$ -

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Education Levels of Public School Staff
As of October 1, 2009

Schedule 2

Category	Full Time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0%	0	0%	0	0%	0	0%
Bachelor's Degree	103	50%	2	100%	0	0%	0	0%
Master's Degree	75	37%	0	0%	6	67%	0	0%
Master's Degree + 30	26	13%	0	0%	3	33%	0	0%
Specialist in Education	1	0%	0	0%	0	0%	0	0%
Ph. D. or Ed. D.	0	0%	0	0%	0	0%	0	0%
Total	205	100%	2	100%	9	100%	0	0%

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Number and Type of Public Schools
For the Year Ended June 30, 2010

Schedule 3

Type	Number
Elementary	-
Middle/Jr. High	-
Secondary	-
Combination	4
Total	4

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Experience of Public Principals, Assistant
Principals and Full Time Classroom Teachers
As of October 1, 2009**

Schedule 4

	0 -1 Yr.	2 -3 Yrs.	4 -10 Yrs.	11-14 Yrs.	15 -19 Yrs.	20 - 24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	1	2	0	0	0	0	3
Principals	0	0	1	4	0	0	1	6
Classroom Teachers	9	2	24	16	23	26	107	207
Total	9	3	27	20	23	26	108	216

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Public School Staff Data
For the Year Ended June 30, 2010

Schedule 5

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers Salary Including Extra Compensation	\$53,224	\$53,278
Average Classroom Teachers Salary Excluding Extra Compensation	\$52,899	\$52,948
Number of Teacher Full-Time Equivalents (FTEs) Used in Computation of Average Salaries	207	204

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Class Size Characteristics
As of October 1, 2009

Schedule 6

SCHOOL TYPE	CLASS SIZE RANGE									
	TYPE TOTAL	%	1 THRU 20	%	21 THRU 26	%	27 THRU 33	%	34+	%
ELEMENTARY	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
ELEMENTARY ACTIVITY CLASSES	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
MIDDLE	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
MIDDLE/JR. HIGH ACTIVITY CLASSES	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
HIGH	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
HIGH ACTIVITY CLASSES	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
COMBINATION	688	69.78%	234	85.20%	220	89.60%	187	88.40%	47	0.00%
COMBINATION ACTIVITY CLASSES	298	30.22%	194	14.80%	61	10.40%	24	11.60%	19	100.00%
TOTAL	986	100.00%	428	100.00%	281	100.00%	211	100.00%	66	100.00%

ORLEANS PARISH SCHOOL BOARD

NEW ORLEANS, LOUISIANA

Louisiana Educational Assessment Program (LEAP)

For the Year Ended June 30, 2010

Schedule 7

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2010		2009		2008		2010		2009		2008		2010		2009		2008		2010		2009		2008	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Students																								
Grade 4																								
Advanced	11	10%	9	8%	6	7%	18	16%	12	11%	4	5%	4	4%	8	7%	5	6%	9	8%	6	6%	1	1%
Mastery	43	38%	55	52%	27	31%	37	32%	24	22%	29	33%	22	19%	23	21%	16	18%	38	34%	38	36%	13	15%
Basic	44	39%	36	34%	46	39%	50	43%	60	56%	39	62%	67	60%	60	56%	52	60%	54	49%	50	47%	58	55%
Approaching Basic	14	12%	6	6%	5	5%	8	7%	9	8%	10	11%	15	13%	13	12%	11	13%	2	2%	9	8%	9	10%
Unsatisfactory	1	1%	0	0%	3	3%	2	2%	2	2%	5	6%	5	4%	3	3%	3	3%	10	9%	4	4%	6	7%
Total	113	100%	107	100%	87	100%	115	100%	107	100%	87	100%	113	100%	107	100%	87	100%	113	100%	107	100%	87	100%

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2010		2009		2008		2010		2009		2008		2010		2009		2008		2010		2009		2008	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Students																								
Grade 8																								
Advanced	5	3%	1	0%	0	0%	1	1%	6	3%	0	0%	0	0%	1	0%	0	0%	0	0%	0	0%	0	0%
Mastery	21	11%	27	12%	11	5%	3	2%	8	4%	2	1%	4	2%	21	10%	13	6%	3	2%	12	6%	2	1%
Basic	95	52%	125	58%	84	38%	100	53%	127	58%	86	38%	62	30%	78	36%	56	36%	83	45%	113	52%	86	39%
Approaching Basic	55	30%	61	28%	98	44%	57	31%	54	25%	74	33%	104	51%	91	42%	77	35%	67	36%	65	30%	88	40%
Unsatisfactory	7	4%	4	2%	29	13%	24	13%	23	11%	61	27%	34	17%	26	12%	76	34%	32	17%	26	12%	44	20%
Total	183	100%	218	100%	222	100%	165	100%	218	100%	223	100%	204	100%	217	100%	222	100%	185	100%	216	100%	220	100%

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Graduation Exit Exam
For the Year Ended June 30, 2010

Schedule 8

District Achievement Level Results	English Language Arts				Mathematics			
	2010		2009		2010		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10								
Advanced	0	0%	0	0%	8	3%	13	3%
Proficient	26	9%	13	3%	46	15%	36	9%
Basic	159	50%	217	54%	154	48%	199	48%
Approaching Basic	96	30%	114	28%	66	20%	89	21%
Unsatisfactory	37	11%	59	15%	50	16%	77	19%
Total	318	100%	403	100%	324	100%	414	100%

District Achievement Level Results	Science				Social Studies			
	2010		2009		2010		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11								
Advanced	0	0%	1	0%	0	0%	0	0%
Proficient	19	6%	16	5%	3	1%	19	6%
Basic	176	47%	141	44%	231	61%	195	61%
Approaching Basic	127	33%	103	32%	113	30%	64	20%
Unsatisfactory	100	14%	60	19%	35	8%	43	13%
Total	422	100%	321	100%	382	100%	321	100%

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
iLEAP Test Results (Continued)
For the Year Ended June 30, 2010

Schedule 9
(Continued)

iLEAP Tests - 2010

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	4	3%	11	9%	4	4%	2	2%
Mastery	38	32%	29	25%	23	21%	26	22%
Basic	55	47%	51	43%	65	58%	62	52%
Approaching Basic	16	14%	18	15%	16	14%	22	19%
Unsatisfactory	5	4%	9	8%	4	3%	6	5%
Total	118	100%	118	100%	112	100%	118	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	17	16%	8	7%	1	1%	8	7%
Mastery	36	34%	29	27%	15	14%	35	33%
Basic	46	43%	53	50%	63	59%	54	50%
Approaching Basic	8	7%	10	9%	24	22%	10	10%
Unsatisfactory	0	0%	7	7%	4	4%	0	0%
Total	107	100%	107	100%	107	100%	107	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	20	25%	4	5%	5	6%	12	15%
Mastery	14	18%	8	11%	18	23%	10	13%
Basic	38	48%	55	75%	43	54%	46	58%
Approaching Basic	3	4%	4	5%	11	14%	8	10%
Unsatisfactory	4	5%	2	4%	3	4%	3	4%
Total	79	100%	73	100%	80	100%	79	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	3	3%	7	6%	3	3%	0	0%
Mastery	21	19%	4	4%	10	9%	10	9%
Basic	71	65%	63	58%	47	40%	71	65%
Approaching Basic	11	10%	25	23%	44	39%	16	15%
Unsatisfactory	3	3%	10	9%	10	9%	12	11%
Total	109	100%	109	100%	114	100%	109	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2010		2010	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	0	0%	3	1%
Mastery	20	10%	18	6%
Basic	64	32%	175	58%
Approaching Basic	98	50%	66	22%
Unsatisfactory	15	8%	40	13%
Total	197	100%	302	100%

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
iLEAP Test Results (Continued)
For the Year Ended June 30, 2010

Schedule 9
(Continued)

iLEAP Tests - 2009

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	6	6%	4	4%	2	2%	1	1%
Mastery	31	29%	24	22%	17	16%	24	22%
Basic	48	43%	56	51%	64	59%	63	58%
Approaching Basic	20	19%	18	17%	22	20%	18	17%
Unsatisfactory	3	3%	6	6%	3	3%	2	2%
Total	108	100%	108	100%	108	100%	108	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	23	28%	13	16%	4	5%	2	2%
Mastery	19	23%	21	25%	23	28%	27	33%
Basic	35	42%	40	49%	43	51%	36	44%
Approaching Basic	4	5%	7	8%	13	16%	16	19%
Unsatisfactory	2	2%	2	2%	0	0%	2	2%
Total	83	100%	83	100%	83	100%	83	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	6	8%	7	9%	3	4%	9	12%
Mastery	20	26%	16	21%	11	14%	24	32%
Basic	44	58%	50	66%	51	68%	35	45%
Approaching Basic	5	7%	1	1%	11	14%	6	8%
Unsatisfactory	1	1%	2	3%	0	0%	2	3%
Total	76	100%	76	100%	76	100%	76	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	5	4%	7	6%	1	1%	0	0%
Mastery	14	11%	11	9%	20	16%	13	10%
Basic	62	49%	54	43%	56	44%	64	51%
Approaching Basic	30	24%	37	29%	30	24%	35	28%
Unsatisfactory	15	12%	17	13%	19	15%	14	11%
Total	126	100%	126	100%	126	100%	126	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2009		2009	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	0	0%	2	1%
Mastery	9	3%	18	6%
Basic	177	56%	157	50%
Approaching Basic	108	35%	76	24%
Unsatisfactory	18	6%	59	19%
Total	312	100%	312	100%

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
iLEAP Test Results (Continued)
For the Year Ended June 30, 2010

Schedule 9
(Continued)

iLEAP Tests - 2008

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	0	0%	1	1%	0	0%	0	0%
Mastery	10	9%	3	3%	4	4%	4	4%
Basic	28	26%	28	26%	21	19%	44	40%
Approaching Basic	29	27%	39	35%	47	43%	33	30%
Unsatisfactory	42	38%	38	35%	37	34%	28	26%
Total	109	100%	109	100%	109	100%	109	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	1	1%	0	0%	0	0%	1	1%
Mastery	5	4%	4	3%	2	2%	1	1%
Basic	40	31%	38	30%	22	17%	33	26%
Approaching Basic	31	24%	30	24%	52	41%	41	32%
Unsatisfactory	50	40%	54	43%	51	40%	51	40%
Total	127	100%	126	100%	127	100%	127	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	7	9%	1	1%	5	6%	2	3%
Basic	31	40%	34	43%	23	29%	36	46%
Approaching Basic	22	28%	12	15%	30	39%	22	28%
Unsatisfactory	18	23%	32	41%	20	26%	18	23%
Total	78	100%	79	100%	78	100%	78	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	1	1%	2	1%	0	0%	0	0%
Mastery	10	7%	4	3%	3	2%	1	1%
Basic	43	32%	33	25%	26	20%	39	31%
Approaching Basic	50	37%	43	32%	54	41%	45	35%
Unsatisfactory	32	23%	52	39%	49	37%	42	33%
Total	136	100%	134	100%	132	100%	127	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2008		2008	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	0	0%	0	0%
Mastery	8	2%	6	2%
Basic	83	26%	93	29%
Approaching Basic	125	38%	71	22%
Unsatisfactory	111	34%	152	47%
Total	327	100%	322	100%